

1                   **PUBLIC RELATIONS AND INTERNATIONAL MARKET**  
2                   **DEVELOPMENT COMMITTEE**

3                   The Public Relations & International Market Development Committee recommends  
4                   for 2026 2025 that the Council:

5                   **MARKET DEVELOPMENT**

6                   1. Work toward increased global consumption of U.S. cotton fiber, manufactured  
7                   cotton products, and cottonseed and its products by encouraging greater worldwide use  
8                   of cotton, cottonseed and their products;

9                   2. Urge Congress and the Administration to maximize the authorization of export  
10                  credit and credit guarantee programs, and the Export-Import Bank programs, including  
11                  the export insurance programs; ensure that the allocation and utilization of these funds  
12                  facilitate the long-term export and domestic market development objectives of U.S.  
13                  agricultural commodities and value-added products, including cotton textiles and  
14                  apparel; and ensure that allocations under these programs for cotton and its products  
15                  are used for the purpose of promoting U.S. cotton fiber, manufactured cotton products  
16                  and cottonseed and their products;

17                  3. Urge Congress and the Administration to support effective foreign market  
18                  development programs by:

19                   a. authorizing no less than \$200 million annually in Market Access Program  
20                  (MAP) funds, and no less than \$34.5 million annually in funding for the Foreign  
21                  Market Development (FMD) Program, no less than \$8 million annually to fund the  
22                  Emerging Markets Program (EMP) and no less than \$300 million annually to fund  
23                  the Regional Agricultural Promotion Program (RAPP), and ability to utilize for  
24                  the American First Trade Promotion Program (AFTPP), [Staff change added  
25                  to reflect current activity] so long as these programs are used to promote the  
26                  sale of U.S. agricultural commodities and their products, including U.S. cotton  
27                  fiber, manufactured cotton products and cottonseed and its products;

28                   b. reimbursing cooperators for the full amount of qualified program  
29                  expenses, even if generic certificates are issued for repayment;

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- 1                   c. administering these programs cooperatively through private trade
- 2                   associations;
- 3                   d. avoiding unnecessarily restrictive interpretations of rules and regulations
- 4                   governing USDA's programs such as EMP, FMD, MAP etc.; and
- 5                   e. minimizing administrative burdens on program implementation;
- 6                   4. Urge all U.S. cotton industry organizations interested in developing and
- 7                   expanding foreign markets for their products to collaborate with and increase funding
- 8                   support for the activities of Cotton Council International (CCI), so long as those activities
- 9                   promote U.S. cotton fiber, manufactured cotton products, and cottonseed and its
- 10                  products and are sensitive to the U.S. domestic textile interest;
- 11                  5. Cooperate with other industry organizations, guided by the Cotton Board
- 12                  International Steering Committee's report of December 4, 1981, as amended, defining
- 13                  the role of CCI and Cotton Incorporated;
- 14                  6. Urge USDA and all segments of the cotton industry to expedite studies on
- 15                  vegetable oilseeds in significant producing and consuming countries to determine the
- 16                  competitive position of and potential market for U.S. cottonseed oil and other
- 17                  cottonseed products;
- 18                  7. Encourage USDA and all industry segments to work toward the acceptance,
- 19                  domestically and internationally, of all new varieties developed through
- 20                  biotechnology/genetic engineering;
- 21                  8. Participate in the development of national and international voluntary, consensus-
- 22                  based industry standards for fiber, textiles and apparel to facilitate global market access
- 23                  to U.S. cotton and U.S. cotton textile products and prevent barriers to trade;
- 24                  9. Urge the National Cotton Council, Cotton Council International, Cotton
- 25                  Incorporated and other industry organizations to promote the design and use of the
- 26                  COTTON USA registered trademark (logo) for cotton bales that visually distinguishes
- 27                  U.S. grown and ginned cotton from other cotton growths in domestic and foreign
- 28                  markets;

1        10. In order to meet the current and future challenges of sustainability and maintain  
2 the United States as the global leader in responsible cotton production, encourage  
3 industry activities that achieve the goals that have been established by the COTTON  
4 USA Sustainability Task Force **[removed to reflect dissolution of the task force]** for  
5 measurable continual improvements in key metrics in the areas of environmental  
6 stewardship, farm productivity, and resource efficiency such as land, water, air, input  
7 and energy use, specifically those included in the U.S. Cotton Trust Protocol (Trust  
8 Protocol);

## INSURANCE AND CREDIT

10        11. Urge USDA to make available adequate market development funding, domestic  
11 and foreign credit guarantees and other market development instruments to maximize  
12 the U.S. cotton sector's ability to ship all U.S. cotton and its products, including cotton  
13 textiles and apparel, under all U.S. trade agreements;

14        12. Urge USTR, USDA, and other government agencies to find a resolution to the  
15      lack of liquidity in U.S. dollars that are required to achieve performance on existing  
16      contracts in key markets;

17        13. Urge Congress and the Administration to work to protect and enhance effective  
18        export credit and credit guarantee programs, such as the GSM 102 export credit  
19        guarantee program and the Supplier Credit Guarantee Program, to make U.S. cotton  
20        fiber, manufactured cotton products, and cottonseed and its products more competitive  
21        in export markets, and urge USDA, the Administration and Congress to continue  
22        recognizing the importance of credit to the export of U.S. raw and value-added cotton,  
23        cottonseed and their products, emphasizing that credit or credit insurance programs are  
24        effective only if available on a steady, predictable basis regardless of economic  
25        circumstances; establish USDA supplier credit guarantee program-type export  
26        insurance limits per buyer rather than per shipment; and further urge USDA to utilize  
27        funds to the maximum degree possible when foreign customers request credit, except  
28        where such request is for concessionary direct credit and such customers engage in  
29        unfair trade practices which injure U.S. cotton and its products;

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1        14. Urge USDA, when considering applications under CCC export credit and  
2        assurance programs, to recognize that maintaining markets is as important as the  
3        criteria of additionality and that maintaining markets may require maximum periods of  
4        tenor up to 36 months; and further urge that neither buyer nor seller be discriminated  
5        against when considering applications under such programs, with preference being  
6        given to the historical purchasers of U.S. cotton, cottonseed and their products;

7        15. Urge USDA to require that countries eligible to participate in the GSM credit or  
8        assurance programs agree that technical or quality disputes in sales made pursuant to  
9        such programs be resolved by recognized impartial international arbitration boards;

10       16. Urge USDA to make allocations for the GSM-102 program at a level no less than  
11       the statutory limit of \$5.5 billion annually in order to expand the availability of the  
12       program to a broader network of financial institutions and eligible markets;

13       17. Strongly request that USDA, the State Department and other government  
14       agencies urge foreign governments to allow individual mills to utilize GSM credit;

15       18. Recognizing that the imposition of origination or other user fees would effectively  
16       increase existing guarantee fees and make export credit guarantee programs useless  
17       for expanding exports of U.S. cotton and its products, oppose any Administration action  
18       to impose additional charges or make unreasonable increases in the existing guarantee  
19       fee schedule;

20       19. Urge the OGSM to rescind the requirement of an entry certificate or similar  
21       document signed by an official of the importing country on export shipments by truck or  
22       rail;

23       20. Urge USDA to deny benefits of the Commodity Credit Corporation's (CCC) export  
24       credit sales and export assurance programs to any foreign mill or purchasing entity that  
25       abrogates legitimate contracts for U.S. cotton, and/or has failed to honor a final award  
26       issued by the arbitral body specified in the contract, and furthermore, urge NCC staff, in  
27       conjunction with ACSA/AMCOT, to inform CCC on an ongoing basis of the names of  
28       such entities;

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1        21. Urge the U.S. government to work to improve infrastructure at major crossing-  
2 points on the U.S.-Mexican border to facilitate smoother trade and prevent delays and  
3 encourage cotton industry associations to work with the appropriate U.S. and Mexican  
4 government agencies to develop measures to improve the safety and insurability of U.S.  
5 shipments to Mexico;

6        22. Urge USDA to work with foreign governments to resolve phytosanitary issues  
7 affecting U.S. cotton and cotton product exports to those countries and that USDA  
8 expedite the adoption of electronic phytosanitary certificates bearing the electronic  
9 signature of the appropriate USDA-APHIS authorizing official;

10       23. Urge the Export-Import Bank to increase its financing of agricultural exports at  
11 competitive fees and with provisions tailored to the needs of exporters, and to grant  
12 credit and/or assurance to countries which desire to purchase U.S. cotton fiber,  
13 manufactured cotton products, and cottonseed and its products;

14       24. Support restrictions and changes in the operation of the International Monetary  
15 Fund (IMF) designed to:

16            a. improve international financial stability by requiring recipient countries to  
17 carry out economic reforms, including the removal of trade restrictions, ending  
18 the subsidization of favored industries (specifically textile production), the  
19 imposition of effective, risk-minimizing rules governing the recipient's internal  
20 banking systems, and other policies designed to liberalize and privatize internal  
21 market structures;

22            b. reduce the chance and severity of significant currency devaluations by  
23 more effective warning systems and by ensuring that recipient countries are not  
24 exempt from the risk of loss;

25            c. minimize detrimental impacts caused by currency devaluations,  
26 particularly in countries that compete with devalued goods and services; and

27            d. ensure that IMF assistance is provided only to a country's centralized  
28 banking system and not to industries in such countries in such a manner as to

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1       accelerate exports to the United States (specifically cotton fiber, manufactured  
2       cotton products, and cottonseed and its products);

### 3           **FORWARD CONTRACTING AND EXPORT SALES**

4       25. To make all government agencies and industry organizations aware of the  
5       problems American exporters face because of defaults, urge:

6           a. USDA to notify countries eligible for PL-480 and GSM funds for cotton that  
7       organized defaults could jeopardize these funds;

8           b. CCI and Cotton Incorporated to notify countries where organized defaults  
9       may occur, that such action could jeopardize implementation of their programs;

10           c. CCI and Cotton Incorporated to consider denying services to foreign mills  
11       listed in default by any member organization of the Committee for International  
12       Cooperation among Cotton Associations, the American Cotton Exporters  
13       Association, and the International Cotton Association, for failure to honor a  
14       contract, arbitration award, or court order. Services may include but not be limited  
15       to membership in the U.S. Cotton Trust Protocol, licenses issued to the mills as  
16       well as licenses for products sold by the defaulting mill(s) to their customers, and  
17       technical services;

18           d. the Office of the U.S. Trade Representative (USTR) to keep U.S.  
19       negotiators apprised of countries (and buyers) where default situations have  
20       occurred and local enforcement of arbitration awards has not been effective;  
21       further, encourage the development of a USTR maintained list of defaulters with  
22       unfulfilled obligations; and request that importing countries monitor their textile  
23       mills regarding organized defaults; and that the NCC support and assist any and  
24       all efforts by ACSA and AMCOT to work with USTR, the State Department, USDA  
25       and, if necessary, Congress in seeking their assistance in dealing with the  
26       escalating problem of defaults on U.S. cotton contracts in many of our important  
27       international markets; and

28           e. the appropriate U.S. Government agencies to assist the U.S. cotton  
29       industry in establishing equitable rules for the trade of U.S. cotton with China and

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1       other emerging markets, the resolution of any disputes through fair and unbiased  
2       arbitration systems, and the recognition and enforcement of arbitration awards;

3       26. Continue efforts to acquaint foreign purchasers and merchants with the hedging  
4       and pricing flexibility afforded through organized U.S. futures exchanges;

5       27. Work for unrestricted sales and shipments of U.S. cotton fiber and manufactured  
6       cotton products in world markets, including the elimination of trade barriers that hinder  
7       U.S. textile and apparel exports, and insist on enforcement of U.S. rights under  
8       appropriate international instruments when other countries take prejudicial actions  
9       against such U.S. products;

10       28. Emphasize the importance of a timely and accurate system for reporting export  
11       sales information and support the continuation of a weekly reporting system under  
12       USDA's exclusive jurisdiction;

## **TRANSPORTATION AND LABOR**

14       29. Strongly request that the Maritime Administration, the Federal Maritime  
15       Commission, the shipping conferences and other responsible agencies take steps to  
16       assure that U.S. cotton, cottonseed and their products are treated equitably in respect  
17       to the use of domestic and international transportation facilities;

18       30. Strongly encourage the cotton industry to work closely with the proper maritime  
19       associations and government entities to ensure that U.S. cotton flows smoothly and  
20       efficiently to all U.S. cotton export markets, with a focus on:

21           a. establishing interoperable chassis provisioning in markets currently  
22       impeded by ocean carrier "Box Rules" models;

23           b. applying reasonable Demurrage and Detention Fees throughout the  
24       intermodal supply chain; and

25           c. mitigating the occurrences of export shipment "splits and rolls" and the  
26       associated derivative documentation and logistical malfunctions;

27       31. To ensure U.S. agricultural products remain viable in global markets and thereby  
28       improve global food and fiber security, urge Congress to pass legislation that provides

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1 reasonable service for U.S. agricultural products throughout the entire supply chain,  
2 giving specific consideration to the unique needs of containerized shipments like cotton.  
3 Further, we urge Congress to provide additional clarity concerning jurisdiction to  
4 regulate supply chain participants to ensure fair export opportunities for U.S. cotton.

5 32. Work against imposition of Harbor Maintenance fees or similar fees since they  
6 serve as the equivalent of an export tax;

7 33. Urge support for local, state, and national efforts to review and expedite port and  
8 intermodal infrastructure projects;

## TAXES

10 34. Urge Congress and the Administration to assure that income tax laws and  
11 regulations do not unduly penalize U.S. citizens stationed abroad;

## PUBLIC ATTITUDES

13 35. Elevate the understanding and appreciation of the U.S. cotton industry, the farm  
14 bill and their contributions to the nation among the general public, government staff  
15 officials and selected opinion leaders in the U.S. and foreign-consuming countries  
16 through ongoing educational outreach, web-based educational materials, social media  
17 outlets and other communications;

18 36. Continue participation in coalitions with other agricultural and commodity  
19 organizations as a means of heightening consumer understanding and appreciation of  
20 U.S. agriculture, its people and its products, the advantages to be gained from the  
21 application of emerging technology and increasing consumer understanding on key  
22 agriculture-related issues;

23 37. Continue to increase awareness in both trade and consumer news media of U.S.  
24 cotton's environmental preservation efforts, including the U.S. Cotton Trust Protocol,  
25 ~~Cotton LEADS, [Staff change to reflect the phase out of Cotton LEADS]~~ the Field to  
26 Market Fieldprint Calculator metrics and other sustainability initiatives;

27 38. Continue to seek greater utilization of industry leaders who have received  
28 communications training through Cotton Foundation programs for issues

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1 communications with lawmakers, government agencies, news media and the general  
2 public;

3       39. Continue to provide communications and presentation skills training, publicity  
4 and other support for the Dunavant Policy Advocacy Program, Multi-Commodity  
5 Education Program, Producer Information Exchange and Emerging Leaders Program  
6 participants; and support efforts to enhance the consumer image of cottonseed oil;

7       40. Provide educational and promotional materials on the cotton industry and its  
8 products for schools and appropriate consumer groups via the web sites and continue  
9 to work with U.S. Farmers and Ranchers Alliance; Field to Market initiative; the U.S.  
10 Cotton Trust Protocol; America's Heartland; FarmPolicyFacts.org; and National Ag in the  
11 Classroom; and Food, Land and People programs;

12        41. Increase awareness of the value to agriculture of strong publicly supported  
13 research programs, emphasizing in particular the benefits which accrue to the U.S.  
14 cotton industry in terms of cost reduction, improved product quality and increased  
15 production and marketing efficiency;

## INFORMATION SERVICES

17        42. Identify, track, monitor and analyze government-related and other issues to  
18    enhance Council members' understanding of and timely participation in legislative and  
19    regulatory matters of prime concern to the cotton industry;

20 43. Keep all industry segments informed of Council activities relating to government  
21 affairs; cooperative industry-government programs, including the National Boll Weevil  
22 Eradication Program; best available current technology and research; and education  
23 and promotion programs, emphasizing those matters which require member support;

44. Continue to maximize the Council's website, [Plant Not Plastic website, U.S.](#)  
**Cotton Trust Protocol's website** *[added to reflect current activity]* and CCI's website as an educational tool for U.S. cotton and as a primary vehicle for timely information dissemination to members and key publics;

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1        45. Continue the development of appropriate marketing and educational materials to  
2 support industry efforts to increase the membership base and active support of the  
3 Council, the Committee for the Advancement of Cotton and The Cotton Foundation by  
4 focusing on:

5                a. the Council's role and mission as the central organization of the U.S. raw  
6 cotton industry and the broad range of services it provides to members;

7                b. the purpose of the Committee for the Advancement of Cotton and its value  
8 to the industry; and

9                c. the Cotton Foundation's research and educational mission and how it  
10 contributes to improving U.S. cotton's international competitiveness;

11        46. Provide public relations and marketing support for The Cotton Foundation, and  
12 assist in developing and carrying out research and education projects of benefit to the  
13 cotton industry;

14        47. Provide public relations, media relations and marketing support for special  
15 Council-sponsored forums such as the Beltwide Cotton Conferences, the Foundation  
16 annual meeting, the COTTON USA Summits and other educational events and activities  
17 aimed at achieving the Council's objectives;

18        48. Give public relations support, as needed, to activities by the Council and the  
19 Cotton Board on behalf of Cotton Incorporated;

## **PROMOTION SERVICES**

20        49. Support market development efforts of Cotton Council International, Cotton  
21 Incorporated and other industry-related organizations by providing communications  
22 assistance and other efforts to benefit export and domestic use of U.S. cotton and its  
23 products, including cotton textiles and apparel;

24        50. Acknowledge that existing private sector business entities, trade associations,  
25 educational institutions and individual governments and international organizations that  
26 are involved in cotton research, promotion and advancement provide the cotton industry

1 with effective tools to increase world consumption of cotton, cottonseed and their  
2 products;

3 **PUBLIC RELATIONS SUPPORT FOR INTEREST ORGANIZATIONS**

4 51. Provide technical support and assistance to cotton industry interest organizations  
5 in the areas of public relations and audio-visual techniques;

6 52. Encourage Cotton Council International, Cotton Incorporated and other interest  
7 organizations to focus on programs and promotions which maximize the use of U.S.-  
8 grown cotton and U.S.-manufactured yarns and fabrics; and

9 53. Continue cooperative efforts with Cotton Incorporated to support cotton's  
10 sustainability and positive environmental impact.

## RESEARCH AND EDUCATION COMMITTEE

The Research and Education Committee recommends for 2025 2026 that the Council:

### RESEARCH, EDUCATION AND PROMOTION FUNDING

1. Support federal appropriations for cotton and cottonseed research and extension programs conducted by USDA and Cotton Belt states, including ginning, supply chain management from gin to mill and other processing, that provide for efficient program growth to adequate levels, recognizing that such action is not inflationary and will produce public benefits far in excess of costs;

2. Support Hatch Act funding for state agricultural experiment stations and support Smith Lever Act funding for extension service;

3. Cooperate and maintain liaison with Cotton Incorporated, Cotton Council International and the International Cotton Advisory Committee research programs;

4. Continue to review publicly supported cotton research, assist in establishing research priorities, identify cost-reduction goals and actions and provide assistance for assuring adequate levels of funding; and in addition:

a. support national initiatives to increase funds for agricultural research and work with other national organizations to support funding to strengthen existing USDA core programs along with support for new initiatives;

b. urge USDA and state agricultural experiment stations to increase emphasis on cotton production and processing efficiency, including maintenance of plant protection research at a high priority, and to enhance cooperation among state, federal and private research institutions;

c. work to coordinate efforts to bring research, technology transfer and management systems together to meet the continuing goal of reducing unit costs of production, including improved processing efficiencies;

d. seek additional funding for special research needs;

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1                   e. work with USDA, state agricultural experiment stations, state extension  
2                   agencies, Cotton Incorporated, regional cotton associations and industry leaders  
3                   to assess highest priority research needs, and report those priorities to research  
4                   institutions, especially to the USDA and state universities;

5                   f. support the implementation of emerging technologies and, in order to  
6                   maximize efficiency, quality and economic return from such technology in a form  
7                   useful to the U.S. cotton and cotton textile industry, continue to monitor  
8                   developments in precision agriculture to assist in:

9                   (1) coordinating and expediting precision agriculture research;

10                  (2) providing focus on development and on-farm testing of practical  
11                  applications of new technologies, including utilization of remote sensing  
12                  imagery, variable rate monitoring and application technologies and pest and  
13                  nutrient sampling methodologies including thresholds;

14                  (3) developing and validating computer and information technology  
15                  needs for production risk management;

16                  (4) urging continuation of USDA, NASA, and NSF funding for precision  
17                  agriculture research and education;

18                  (5) working with a coalition of commodity groups, universities and  
19                  USDA to coordinate and strengthen precision agriculture research; and

20                  (6) preventing the degradation and interference of precision agriculture  
21                  tools to ensure that GPS services are not disrupted;

22                  g. recognize the possible significance of photosynthetic fixation of carbon by  
23                  trees and other plants in reducing carbon dioxide concentrations in the  
24                  atmosphere, urge all appropriate research organizations, public and private, to  
25                  continue research to quantify the contribution which the cotton production  
26                  industry and other field crops make toward reducing the threat of global warming;

27                  h. urge the USDA and the Department of Energy, in cooperation with state  
28                  universities and private industry, to expedite research and promotional initiatives  
29                  on alternate uses of vegetable oils, including cottonseed oil, especially with

1 regard to use of vegetable oils as biofuels and industrial lubricants; support  
2 national initiatives and coalitions whose aim is to facilitate the alternate uses of  
3 vegetable oils, especially as substitutes for petrochemicals; and support  
4 legislation that would encourage the fuel use of vegetable oils;

5 i. encourage research to investigate methods to alter nutritional profiles of  
6 cottonseed oil to meet changing consumer demands;

7 j. support efforts to adopt ultra-low gossypol cottonseed technology in  
8 commercial seed varieties;

9 k. recognize the need to continue research to identify and commercialize a  
10 safe, economical and regulatory compliant alternative extraction solvent that is a  
11 non-VOC for use by cottonseed oil mills, urge that existing state university and  
12 USDA research programs be continued;

13 l. in cooperation with Cotton Incorporated, evaluate agriculture-related  
14 curricula at land grant universities for adequate practical and applied content and  
15 urge those institutions to continue emphasis of practical, applied scientific  
16 training in order to provide needed personnel for research, extension and allied  
17 industry infrastructure; and

18 m. urge the USDA, the Department of Energy and other government  
19 agencies, in cooperation with universities and other research institutions, to  
20 conduct research on the storage and transportation of gin wastes in anticipation  
21 of the use of these wastes as feedstocks for cellulosic ethanol or other biofuels;

22 5. Support continuation of uniform funding of the Cotton Research and Promotion

23 Act;

24 6. Urge adoption of a commercially-viable, cost-effective, counterfeit-proof, and  
25 non-toxic tracer/marker system for U.S. yarns and fabrics which will make possible strict  
26 enforcement of Customs laws, rules and regulations and encourage commercial  
27 implementation of existing technologies including development of practical sensor and  
28 detection instrumentation for use by U.S. Customs and other agencies;

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- 1        7. Support research to determine and, if appropriate, support public outreach and
- 2        education concerning the human health and environmental impacts of micro and
- 3        nanoplastics resulting from the textile industry;

## **VARIETY, GENETICS AND QUALITY IMPROVEMENT**

- 5        8. Work with USDA, state universities and other groups in identifying and
- 6        addressing factors affecting yields and quality, including publication of independent
- 7        objective data and analysis; advocate deployment of technology protection system
- 8        technologies for transgenic cotton planting seed only in order to minimize abuse of
- 9        intellectual property and to encourage future investments in research and development
- 10       of new cotton varieties with assurances that sufficient research, including field testing,
- 11       will be conducted on the system and the results can be independently verified; work to
- 12       preserve within the Plant Variety Protection Act producers' exemption to utilize non-
- 13       patented seed from their own production for planting on their total operation; and work
- 14       to enhance variety choices by ensuring a diversity in cotton's genetic base, maintaining
- 15       funding for federal and state breeding and genetic research programs and supporting
- 16       actions that foster competition among cottonseed suppliers, recognizing that U.S. yields
- 17       need to improve significantly to compete globally;

- 18       9. Support USDA-ARS's continued preservation and enhancement of the U.S.
- 19       National Cotton Germplasm including maintenance, expansion, genetic mapping, and
- 20       electronic cataloging of collection materials for public and private use to develop
- 21       superior varieties through conventional and modernized breeding programs and assist
- 22       USDA-ARS in securing necessary funding to accomplish these goals; encourage
- 23       USDA-ARS to continue funding for research to further the identification and
- 24       development of resistant varieties to Fusarium wilt, including the FOV Race 4 strain;

- 25       10. Support, participate in and develop education and research programs that will
- 26       improve yield, quality, efficiency and profit and also preserve seed and lint quality during
- 27       harvesting, ginning, handling, storage and mill processing; continue the Cotton Industry
- 28       Cottonseed Quality Committee and communicate to seed breeders its
- 29       recommendations on fiber and seed yield and quality parameters which affect the
- 30       profitability of the producer, ginner, cottonseed processor and handler, and textile

1 manufacturer while encouraging research to address changes in seed quality, seed  
2 size, germination, seedling vigor and other parameters vital to the profitability of all  
3 industry segments; encourage Cotton Incorporated, in cooperation with universities and  
4 USDA to support breeding programs to enhance quality and yields; encourage  
5 commercial seed breeders to focus on quality improvement to enhance textile  
6 manufacturing performance as well as yields; and specifically recommend that Cotton  
7 Incorporated:

8 a. explore and evaluate new regional germplasms to enhance profitable  
9 qualities and yields while enabling cotton spinners to competitively utilize new  
10 technologies; and

11 b. identify and develop new germplasm characteristics which mitigate  
12 constraints on economically produced cotton;

13 11. Urge USDA to support the National Cotton Variety Testing Program, including  
14 analysis of lint and seed, with timely reporting of quality along with agronomic and yield  
15 data; request commercial seed suppliers continue to include non-transgenic varieties in  
16 variety testing trials so that comparative agronomic performance data can be  
17 established; and initiate a program, when a reliable, repeatable, affordable test method  
18 is developed, to characterize fiber maturity of varieties entered in the program;

19 12. Support USDA cotton quality research laboratories in cooperation with the textile  
20 industry, Cotton Incorporated and other industry groups to:

21 a. continue research to improve cotton fiber processing performance by  
22 reducing neps and related fiber quality problems;

23 b. continue research to determine the fiber property characteristics required  
24 by new high-speed textile machinery technology and work toward assuring that  
25 such properties are consistently available; and

26 c. continue research to define the effects of improved fiber qualities,  
27 including those resulting from improved ginning methods, on the cost of  
28 manufacturing yarn to meet various industry specifications;

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1        13. Urge both public and private cotton researchers, in cooperation with USDA,  
2 Cotton Incorporated, ginners, manufacturers and other industry groups, to carefully and  
3 fully evaluate current research projects based upon their individual merit and practical  
4 value and identify and accelerate new research projects that increase value, improve  
5 cotton quality and reduce short fiber content of upland cotton, and in achieving these  
6 goals, determine the effects on the spinning process and on yarn manufacturing costs  
7 of reduced lint cleaning, other “gentle ginning” techniques and “preparation” and to  
8 expedite research to improve inherent cotton qualities, including fiber strength and  
9 immature fibers, to best meet current and future manufacturing needs of U.S. textile  
10 mills;

11        14. Regarding bale moisture:

12            a. work with industry associations and research and extension organizations,  
13 including USDA, to continue its literature review to determine appropriate  
14 moisture levels in baled lint and to communicate that information to the cotton  
15 industry;

16            b. encourage continued research particularly on a regional basis  
17 (recognizing that widely divergent climatic conditions exist throughout the Cotton  
18 Belt) to determine optimum moisture levels in baled lint that will preserve fiber  
19 qualities and spinning performance and mitigate gin bale weight losses; and

20            c. as a precaution against undue risk of fiber degradation, recommend that:

21                (1) restored moisture levels of cotton bales at the gin not exceed 7.5%  
22 (wet basis); and

23                (2) the industry accept the designation of “wet cotton” as defined by  
24 USDA as one of the criteria for CCC loan eligibility;

## LINT CONTAMINATION

25        15. Seek to eliminate lint contaminants by:

26            a. encouraging picker doffer and moistener pad manufacturers and  
27 fabricators to supply only doffer and moistener pad materials that have been

1 demonstrated to be non-contaminating and urge cotton industry use of these  
2 materials;

3 b. encouraging the industry to use only 100 percent cotton, undyed, non-  
4 contaminating rope or strap for securing covers on modules and seed cotton  
5 trailers, and that all tie-down materials be properly removed prior to ginning;

6 c. working with U.S. and foreign textile manufacturers to utilize the  
7 contamination reporting system available on the National Cotton Council website;

8 d. urging improvements to existing systems for contamination detection and  
9 removal;

10 e. urging Cotton Incorporated to continue its efforts in addressing the  
11 research, education and management and economic concerns associated with  
12 sticky cotton; and urging the Quality Task Force to continue to coordinate its  
13 efforts with Cotton Incorporated;

14 f. vigorously supporting efforts that result in the elimination of lint  
15 contamination from all sources to foster a competitive advantage that benefits all  
16 segments of the U.S. cotton industry;

17 g. distributing educational materials including posters, brochures and videos  
18 on eliminating lint contamination;

19 h. encouraging all producers, ginners and warehousers to use non-  
20 contaminating markers when spraying identification marks on modules and  
21 bales;

22 i. identifying viable projects or a group of sub-projects among the USDA-  
23 ARS ginning labs, the land-grant institution researchers, machinery  
24 manufacturers and Cotton Incorporated that can have a significant impact on  
25 reducing plastic contamination in U.S. raw cotton; and

26 j. due to the negative impact of plastic contamination of U.S. cotton in the  
27 global and domestic market, urge USDA-AMS to retain designation on any U.S.  
28 bale with a 71 or 72 remark, either during the initial classification or upon  
29 reclassification.

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- 1                   k. Educate the industry on the importance of adopting and using round
- 2                   module wrap material that meets the ASABE (615.2) Cotton Module Cover
- 3                   Standard.
- 4                   I. Explore the inclusion of the ASABE S615.2 Round Module Wrap Standard
- 5                   as an eligibility requirement for the non-recourse cotton loan.
- 6                   16. Urge Cotton Incorporated, and state and regional producer/ginner organizations
- 7                   to continue to work with the Council to update and reinforce educational programs
- 8                   relating to seed cotton module building, covering and cover selection, while working with
- 9                   the manufacturers of module coverings and the Technical Standards Committee of the
- 10                   American Society of Agricultural and Biological Engineers to establish guidelines for
- 11                   standards of performance commensurate with the needs of producers, ginners, and
- 12                   textile manufacturers;
- 13                   17. Urge harvesting equipment manufacturers to consult with the National Cotton
- 14                   Ginners' Association when developing, or modifying, onboard moduling systems to
- 15                   ensure compatibility with current seed cotton transporting, opening and ginning
- 16                   systems;

## COTTON CLASSING AND UNIVERSAL STANDARDS

- 18                   18. Work with Congress and USDA to secure the necessary funding to accelerate
- 19                   the automation of all USDA-AMS Classing Offices and develop a program that will
- 20                   assist in hiring and maintaining classing office employees; work to develop practical
- 21                   means that will facilitate and improve the collection of samples and the dissemination of
- 22                   classing data to the gin; continue to review USDA classing programs to evaluate their
- 23                   effectiveness, accuracy and service; make fiber quality data available to producers in a
- 24                   user-friendly format at no additional cost and make recommendations for improvement;
- 25                   19. Urge adoption of module averaging **with a maximum module size of 20 bales**
- 26                   ***[Staff recommendation to reflect new Board policy from August 2025 Mid-Year]*** as
- 27                   the only classing method; work with Cotton Incorporated and USDA-AMS to make
- 28                   continual improvements to module averaging classing; support efforts to improve the
- 29                   USDA cotton classification system through instruments proven to be reliable and

1 feasible through comprehensive testing and to enhance cotton flow; urge all segments  
2 of the cotton industry to work for a reliable instrument-based classing system so that  
3 USDA classing measurements are used throughout the entire cotton marketing chain;

4 20. Establish classification and pricing systems that more accurately reflect end-use  
5 value and incorporate appropriate economic incentives to foster quality enhancements  
6 through seed breeding and lint processing procedures, including:

7 a. support use of HVI color as the official means of color grade  
8 determination;

9 b. intensifying efforts to persuade USDA, instrument manufacturers and  
10 others to continue refinement of high speed instruments to better measure color,  
11 grass, bark and trash levels;

12 c. support the level-1 preparation discount at the current level; and

13 d. support premiums and discounts for length uniformity in the CCC loan  
14 schedule, while urging USDA, and equipment manufacturers to continue  
15 development of reliable, economically feasible methods of measuring short fiber  
16 content or other measures of fiber length distribution;

17 21. Continue the Quality Task Force to ensure that better quality and quality  
18 measurement continues to be a competitive advantage for U.S. cotton; have the Quality  
19 Task Force meet as needed, with adequate advance notice to participants and certified  
20 interest groups; and ensure that the Quality Task Force evaluates and recommends  
21 improvements in fiber quality measurement, fiber quality preservation, loan premiums  
22 and discounts, sticky cotton, preparation and general fiber quality issues, with the  
23 central focus on the efficient use and performance of cotton in the textile mill;

24 **(NEW) Establish an ELS Subcommittee to investigate defining ELS in**  
25 **more detail; [Staff recommendation to reflect new Board policy from**  
26 **August 2025 Mid-Year]**

27 22. Request USDA in conjunction with the Council to:

28 a. continue the official Universal Standards Advisory Committee to approve  
29 by three-fourths majority secret ballot the official standards boxes and any

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1 proposed changes previously advised by USDA; publish a record of the votes of  
2 each group and the committee's final decision; and maintain committee  
3 membership as follows: two producers and one ginner from each of four U.S.  
4 regions (twelve), four U.S. merchants and two cooperatives (six), six U.S. textile  
5 manufacturers selected at-large, not more than six voting members selected at  
6 each meeting from delegates (two each) of associations with active arbitration  
7 boards whose rules are used to govern U.S. cotton export sales and which sign  
8 agreements to accept and utilize the Universal Standards, not more than six  
9 voting members selected at each meeting from delegates (two each) of foreign  
10 spinner associations that annually can be expected to import a substantial  
11 amount of U.S. cotton, and observers without voting privileges;

12 b. distribute sufficient complimentary sets of Universal Standards to foreign  
13 arbitration boards and The Cotton States Arbitration Board yearly; and

14 c. sponsor the Universal Standards Conferences as scheduled by the  
15 USDA-AMS Cotton Program;

## **BIOTECHNOLOGY AND GENOMICS**

17 23. Urge USDA and the Department of Energy, in cooperation with state universities  
18 and private industry, to continue biotechnology and genomics research at a high level  
19 for cotton, including development of molecular genetic maps for cotton and its close  
20 relatives; urge commercial cotton breeders, USDA, state universities and other  
21 agencies to expedite testing and release of new germplasm, improved through  
22 biotechnology and genomic studies; continue to work through the Environmental Task  
23 Force and other appropriate Council committees with seed and biotechnology  
24 companies and other groups to help evaluate and promote consumer acceptance of  
25 transgenic cottons;

26 24. Encourage industry to investigate and develop effective means to control  
27 herbicide resistant, non-commercial cotton;

## AGRICULTURAL WEATHER SERVICES

2 25. Support federal funding for agricultural weather services at a level adequate to  
3 provide needed services without implementation of user fees; work with USDA, NOAA  
4 and NASA in developing and implementing new sensor, detection and forecast  
5 technologies that meet the needs of agriculture throughout the United States;

## ALLIED INDUSTRIES

7        26. Strengthen ties with allied firms and cotton industry suppliers by cooperating in  
8 research, development and educational programs to resolve common problems and by  
9 enlisting further support and participation of these industries in The Cotton Foundation;

## MEETINGS AND CONFERENCES

11        27. Organize, sponsor and promote attendance at conferences and other appropriate  
12        meetings to extend research findings rapidly and foster expanded, coordinated and  
13        effective research directed toward solving key cotton problems;

## **INTEGRATED PEST MANAGEMENT**

15        28. Support research, development and education programs to lower production  
16        costs through effective management of insect, weed, disease, nematode, and any other  
17        pests; urge research efforts to identify and develop pest management alternatives and  
18        techniques that will allow cotton to be produced economically with minimum effect on  
19        the environment and non-target organisms; support the concept of integrated pest  
20        management (IPM), defined as a pest population management system that anticipates  
21        and prevents pests from reaching damaging levels by all suitable techniques such as  
22        natural enemies, pest resistant plants, cultural management and judicious use of crop  
23        protection products; support the concept that IPM and eradication programs are fully  
24        compatible; support continued research and education in IPM, especially after  
25        eradication of the boll weevil and upon commercial introduction of new technologies  
26        such as genetically engineered varieties; increase efforts that focus on changes in the  
27        status of pests such as plant bugs, aphids and stink bugs; develop new, more effective  
28        application technologies; urge appropriate agencies to continue research for control of

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1 aphids, whiteflies and other insects which cause economic damage and adversely affect  
2 processing; as necessary, appoint producer workgroups to direct policy and actions  
3 addressing emerging pest threats to the cotton industry, including Cotton Leaf Roll  
4 Dwarf Virus, regarding funding and research priorities, collaboration of federal and  
5 cotton industry research funding, and associated activities;

## **RESISTANCE MANAGEMENT**

7 29. Support efforts of various agencies to continue research and monitoring activities  
8 on pest resistance; assist vigorously in the process of registering new crop protection  
9 products and maintaining safe registration use of current crop protection products which  
10 will reduce genetic selection pressure that causes insects and weeds to become  
11 resistant; continue cotton industry interaction with Insecticide Resistance Action  
12 Committee (IRAC) and Herbicide Resistance Action Committee (HRAC), advocate for a  
13 standardized protocol for resistance testing, monitoring, and reporting across the U.S.  
14 and encourage the establishment of area-wide education programs specifically targeting  
15 the voluntary use of plant protection products including pesticides and transgenic plants  
16 in a coordinated manner so as to discourage the development of resistance problems  
17 among all classes of cotton pesticides; continue communications with other specialty  
18 crop, commodity and general farm groups urging a coordination of efforts to establish a  
19 recognition of the communitywide nature of pest resistance problems; and continue to  
20 interact with state and federal researchers, technology providers, producer groups and  
21 EPA to work for efficient and effective use of appropriate refuges for managing  
22 resistance development in tobacco budworm and cotton bollworm to multiple gene  
23 transgenic *Bt* cottons while minimizing potential compliance difficulties;

## **WHITEFLY**

24 25. Cooperate, support and encourage USDA, state agency, university, Cotton  
26 Incorporated and private industry research efforts to control the whitefly, to coordinate  
27 the rapid dissemination of the results of such research efforts to help reduce the  
28 economic damage to the U.S. cotton industry, to support cooperation among producers  
29 of all affected crops to implement IPM practices, to encourage continuation of whitefly

1 research and technology transfer, and continue cooperation with states, private industry  
2 and USDA to monitor status of the Q biotype of *Bemisia tabaci*;

3 **NEMATODES**

4 31. Continue to provide leadership through the Beltwide Nematode Research and  
5 Educational Program to assemble timely information on management and control of  
6 cotton nematodes, and due to the increased importance of the reniform nematode to all  
7 cotton states, provide assistance and leadership in securing resources to implement  
8 urgently needed research and educational programs to address the reniform nematode;

9 **BOLL WEEVIL ERADICATION**

10 32. Lend full support and cooperation to the maintenance of boll weevil free states  
11 and zones and to the completion of Boll Weevil Eradication programs in active areas;  
12 give priority consideration to securing federal cost share for the national buffer zone;  
13 provide leadership to protect eradicated areas and those under eradication by  
14 supporting educational programs, equipment movement and sanitation guidelines and a  
15 state-coordinated boll weevil quarantine authority; urge USDA-APHIS to continue the  
16 cooperative engagement with Mexico's Secretary of Agriculture and Rural Development  
17 (SADAR) National Service of Health, Food Safety, and Quality (SENASICA) to support  
18 completion of the eradication programs underway in Mexico and to pursue  
19 implementation of eradication programs for other boll weevil infested areas in Mexico;  
20 continue and assist the NCC Cotton Pest Action Committee and continue to assist in  
21 coordinating research, extension and action programs to eradicate the boll weevil while  
22 supporting the timely transition into post eradication functions; urge USDA-ARS to  
23 continue boll weevil research to achieve completion of Beltwide boll weevil eradication  
24 and to establish science in support of post eradication maintenance; and recommend  
25 that all boll weevil eradication foundations and cotton organizations continue to support  
26 the National Boll Weevil Protection Fund;

## PINK BOLLWORM

2       33. With pink bollworm declared eradicated in production areas of the United States,  
3 continue cooperation with USDA, state universities, agencies and other organizations in  
4 monitoring post eradication activities through the NCC Cotton Pest Action Committee  
5 and supporting its priorities which includes continuing dialogue with Mexico to facilitate  
6 completion of pink bollworm eradication programs in that country; and

## EXOTIC AND INVASIVE SPECIES

8        34. Encourage Federal and State Agencies to identify and monitor for the  
9 introduction of exotic and invasive pest species using the most appropriate techniques;  
10 and support appropriate regulations that prevent the introduction or restrict the dispersal  
11 of exotic and invasive pest species; urge action and support funding to Federal and  
12 State Agencies for the purpose of eliminating exotic pest introductions that pose risks to  
13 cotton production;

# ENVIRONMENT, RESOURCES AND SOCIETAL TRENDS

15        35. Support reasonable definitions and standards founded in relevant sound science;  
16        work with Cotton Incorporated, USDA, the U.S. Cotton Trust Protocol and other  
17        appropriate partners or coalitions to identify reasonable scientific methodology  
18        quantifying carbon sequestration and greenhouse gas emissions related to agriculture;  
19        seek to identify realistic scientific measurements representing agriculture's use of other  
20        resources as necessary; support scientific engagement and development of metrics as  
21        needed to enhance marketability of U.S. cotton aligned with societal trends in demand.

22        36. Support efforts to include cotton farms and cotton gins, as an extension of the  
23        cotton harvest, in any Department of Energy and/or Department of Agriculture Climate  
24        Solutions programs or initiatives that promote the use of agrivoltaics, bioenergy, or other  
25        sustainable means of producing electrical or other forms of energy; ensure and promote  
26        that sustainable energy produced from cotton farming and ginning be eligible as offsets  
27        for energy consumed and as carbon insets throughout the supply chain; and support  
28        research by land grant universities and the three USDA-ARS cotton ginning laboratories

- 1 to address harvesting as a component of Agriculture Climate Solutions and to develop
- 2 and/or find sustainable energy solutions for cotton producers and ginners while
- 3 preserving both productive farmland and private property rights.

## PACKAGING AND DISTRIBUTION COMMITTEE

The Packaging and Distribution Committee recommends for 2025 2026 that the Council:

### BALE PACKAGING

1. Participate in the Joint Cotton Industry Bale Packaging Committee (JCIBPC) to preserve the quality of U.S. cotton fiber for mill consumption through the development of standards for cotton bales that include safe and environmentally friendly materials, methods, systems and facilities for packaging, handling, tagging, and removing bagging and ties, and urge that:

a. efforts be continued to assure accuracy in determining bale tare weights and to reduce the number of tare weights when compatible with needs for new and improved materials;

b. detailed bale packaging material specifications as approved and published on the Internet by the JCIBPC continue to be a USDA requirement for Commodity Credit Corporation (CCC) loan eligibility and the USDA Animal and Plant Health Inspection Service (APHIS) phytosanitary inspection requirements;

c. producers, ginners and warehousemen use only packaging materials approved by the JCIBPC and endorsed by reference in CCC cotton loan rules, and ginners be encouraged to produce a uniform and well-packaged bale;

d. producers, ginners and warehousemen:

(1) exercise additional care to cover all bales completely, as required by CCC for loan eligibility and by APHIS for phytosanitary inspections;

(2) give special attention to using techniques, devices or systems to facilitate full coverage of bales at the gin or warehouse;

(3) strive to maintain bale cleanliness and to eliminate contamination from the farm to the gin to the warehouse by monitoring harvesting, packaging and handling systems, particularly the "naked bale" program, to

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1           ensure that optimum bale conditions are preserved for textile mill customers;  
2           and

3           (4)    encourage the use of recessed bale ties to minimize the damage to  
4           bale bagging;

5           e. the importance of preventing losses in bale value from excessive moisture  
6           contamination, especially when applied by liquid spraying systems, be  
7           aggressively communicated by national, regional and state gin associations to all  
8           ginners;

9           f. the cotton industry, through the JCIPBC, work to eliminate the occurrence  
10          of polypropylene contamination from bale wrapping materials and work with  
11          USDA to implement aggressive research and educational programs involving all  
12          segments of the cotton industry to eliminate all sources of contamination  
13          because global competition has made small particle contamination a critical issue  
14          for yarns and fabrics;

15          g. ~~The cotton industry, through JCIBPC, woven polypropylene bagging~~  
16          ~~only be loan eligible for 6 years, with its last approved year being 2031.~~  
17          ~~Wire ties will be loan eligible for 9 years, however, in 2031, after the 5th~~  
18          ~~crop year, would be restricted to export only.~~ ~~should work to remove woven~~  
19          ~~polypropylene and wire ties as an approved bale packaging material and develop~~  
20          ~~a reasonable phase out period for this material. [Staff Change to reflect new~~  
21          ~~JCIBPC policy from October 7<sup>th</sup>].~~ The industry should investigate options for a  
22          more durable polyethylene bag and a lighter-weight cotton bag;

23          h. producers and ginners keep bale net weights as near 500 pounds as  
24          possible to enable the industry to provide a bale of uniform size and density and  
25          to minimize handling expenses to all segments of the industry and the industry  
26          works with equipment manufacturers to ensure that new equipment allows  
27          production of 500-pound bales;

28          i. the cotton industry through the JCIBPC, supports the industry standard of  
29          uniform density bales and urges gin interests give special emphasis to

1 maintaining universal density bales which by definition have uniform weight and  
2 size dimensions as referenced in the JCIBPC Specifications for Cotton Bale  
3 Packaging Materials, the 2003 **2025 [Staff Change to reflect updated**  
4 **educational brochure in collaboration with ACSA]** Bale Weight Management  
5 Brochure approved by the cotton industry's Joint Lightweight Bale Study  
6 Committee, and International Standard (ISO) 8115 with the objective of achieving  
7 efficient bale storage, handling, transport and opening at textile mills; and  
8 continue to educate the industry of the economic and other benefits in  
9 transportation and mill processing;

10 j. efforts be continued to improve and encourage the use of bale sampling  
11 techniques and devices which do not damage the bale package, including but not  
12 limited to performing all first-time sampling on gin and compressed cotton before  
13 covering; support recommendations of the JCIBPC for coverage of all sample  
14 holes prior to shipment from warehouse and encourage the committee to  
15 establish specifications for materials used to cover sample holes and patch  
16 bagging; and parties responsible for sample holes must bear the expense for  
17 ensuring that a bale is merchantable prior to delivery to another party, including  
18 the full covering of all holes or tears and the patching of sample holes;

19 k. bagging equipment designers, approved bagging manufacturers, gins,  
20 warehouses and others be strongly encouraged to work together to improve bale  
21 bag closing techniques which:

22 (1) take into account bale stack stability; and

23 (2) prevent lint from being exposed to contaminants;

24 I. Cotton Incorporated and others be encouraged to develop a more cost-  
25 effective cotton bagging material, encourage the use of suitable cotton bagging,  
26 including through the implementation of industry-supported trials, and accelerate  
27 the effort to develop a practical secondary market for a cotton bag that has been  
28 designed to protect a bale of cotton to the point of final destination, which may  
29 ease the necessity to make the bag at a lower cost;

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- m. for outside storage of bales, ginners and warehousemen use special weather-protection materials such as dunnage and temporary plastic covers to protect both bales and samples;
- n. all segments of the cotton industry fairly and consistently use the 2022 publication, "A Guide for Cotton Bale Standards," as the system of evaluating bale condition;
- o. the JCIBPC study environmentally and economically realistic alternatives to currently utilized bale covers and encourage all bale packaging material suppliers to develop programs to ensure that materials are environmentally friendly in order to meet the industry goal of reducing solid waste;
- p. any recommendation of the JCIBPC to change the specifications for cotton bale packaging be accompanied by an industry cost/benefit analysis prior to consideration and implementation by the committee; and
- q. tagging/identification procedures and materials specifications remain a part of the responsibility of the JCIBPC;

Communicate to the JCIBPC that it continue to recognize that bale tie and bags affect warehouse stacking methods, safe handling and prompt shipment resulting in increased industry costs and delays and urge:

- a. the development of new materials that should provide marked improvements in physical characteristics so as to prevent packaging failures as well as lint contamination;
- b. that manufacturers of automated tying and strapping machinery improve application methods so that reliability of tie performance meets or exceeds that of currently approved wire tie systems and that manufacturers of automatic and semi-automatic bagging systems work with gins, warehouses and others so that modifications to approved bale bagging materials:
  - (1) do not lessen the material's performance; and
  - (2) are compatible with conventional bale handling, tagging and stacking methods;

1           c. that manufacturers and suppliers of bale packaging, tying and handling  
2       systems along with system users develop innovative, economical, efficient, and  
3       technically advanced packaging solutions that substantially increase bale  
4       package integrity and reduce tie breakage; and  
5           d. support the industry-wide use of a web-based comprehensive reporting  
6       form that documents bale tie and bag performance;

## **FLOW-SHIPMENT**

8       3. Maintain and improve coordination among shippers, warehousemen, transportation  
9       and equipment providers, freight forwarders, ports and mills in order to provide the most  
10      efficient possible movement of cotton and cotton products, including efforts to measure  
11      and describe current norms and propose voluntary guidelines to improve the flow of  
12      cotton;

13      4. Work for the most economical and stable transportation rates, adequate  
14      equipment and service, maximum utilization of available equipment, development of  
15      new, efficient modes of transportation and utilization of all modes of transportation to  
16      maintain competitive freight rates;

17      5. Urge optimum utilization of transportation equipment, including full loading and  
18      rapid handling of boxcars, containers, trucks, vans and piggybacks while encouraging  
19      shippers, truck brokers and truckers to keep loads within legal weight limits; and  
20      encourage the use of load bars on all trucks used to transport cotton within the  
21      marketing system;

22      6. Urge the adoption of standardized codes and formats for warehouse receipts,  
23      classification documents, bale tags and electronic data interchange information; and  
24      request that the industry avoid using staples or other materials including permanent  
25      marking materials on bale tag coupons which may adversely affect the readability of bar  
26      codes;

27      7. Continue the Cotton Flow Committee and urge broad industry participation,  
28      particularly by producers and ginners in order to educate them on the importance of  
29      storing cotton at warehouse locations that adhere to industry shipping standards; urge

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1 industry compliance of shipping performance guidelines for warehouses, shippers,  
2 truckers and mills as set out in resolution number 14 of this section;

3       8. Continue to urge all industry trade associations and exchanges to waive all  
4 lightweight bale penalties for any invoice or draft where the average bale weight is 485  
5 pounds or greater, and review all existing rules, taking into consideration industry  
6 changes such as gin universal density bales, net-weight trading, F.O.B. truck, charges  
7 for unrequested services, and modern processing equipment;

8       9. In cooperation with all cotton exchanges, National Cotton Ginner's Association  
9 and state/regional ginner associations, engage in an educational program for producers  
10 and ginners with the primary goal of reducing the incidences of lightweight and  
11 heavyweight bales;

12       10. Encourage the industry to establish and utilize techniques and systems which  
13 improve the flow of cotton, specifically by:

14           a. urging all segments to work together toward the goal of producing a  
15           universal format for voluntary, private-sector shipment data centralization and  
16           reporting tools that:

17              (1) make complete and detailed information relevant to flow and  
18              performance available to all users,

19              (2) are accessible through a common entry point, and  
20              (3) adequately protect the legitimate privacy interests of all parties;

21           b. Urge acceptance of the definition of improved cotton flow, which not only  
22           means moving a bale from gin to mill or port of export faster, but also other  
23           efficient processes that help the cotton industry meet the timely demand for US  
24           cotton; furthermore, as efficiencies in cotton flow are gained, all segments  
25           bearing costs associated with increased velocity including increased hours of  
26           service, wages, equipment and other measures should share in the increased  
27           value created for the industry.

1       c. urging USDA to continue to require mandatory warehouse performance  
2       reporting to facilitate prompt USDA response to complaints of non-compliance,  
3       which would require:

4               (1) warehouses to report Bales Made Available for Shipment (BMAS)  
5       on a weekly basis to USDA or a USDA-designated agent such as EWR Inc.  
6       (along with electronic verification that the BMAS report has been received by  
7       the agent);

8               (2) warehouse notification by electronic means when a complaint is  
9       filed; and

10               (3) CCC to use reported information in routine audits of warehouses;

11       d. encourage industry use of the software program to process unreceipted  
12       bale data through the BMAS reporting system. Continue to work towards the  
13       most cost-efficient solution that does not include ongoing costs to warehouses  
14       and ensures weekly submissions for unreceipted and receipted bales are  
15       separately reported, understanding a goal of full transparency is needed;

16       e. recommend that software providers build on the positive, required  
17       changes of cotton flow by enhancing visibility and communication of the data,  
18       with additional features such as notification alerts when a new batch is received  
19       and an interactive chat/communication tool for on-the-spot discussion and  
20       resolution of ready dates;

21       f. working with organizations to further standardize information on cotton  
22       movement, handling, and traceability; urge the industry to update any additions  
23       to universal shipping order standards to the current industry standard EDI ANSI  
24       X12 documents;

25       g. encouraging industry to work with manufacturers to develop consistent  
26       receiving hours;

27       h. urging merchants to maintain more control and communication with trucks  
28       and railroads used to ship cotton, and to take steps necessary to ensure  
29       adequate supplies of transportation equipment;

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- 1                   i. encouraging all warehouse operations to continue improving facilities and  
2                   practices, including the use of the Staging Shipment Option (SSO) to increase  
3                   efficiency;
- 4                   j. urging all warehouses to adopt a standard format for the locator ID field in  
5                   the electronic warehouse receipt record and urging persons requesting shipment  
6                   to use the locator so that shipments may be grouped as efficiently as possible;
- 7                   k. urging USDA to frequently review BMAS reports and expand the published  
8                   data from those and similar reports;
- 9                   l. encouraging shippers to work with truckers to ensure that shipments are  
10                  picked up on time (honor negotiated load dates) or to accept penalties for non-  
11                  performance; and
- 12                  m. urging warehouses to adopt and comply with the reconciled days and  
13                  hours rule in the Cotton Storage Agreement and the US Warehouse Act, WA-401  
14                  – Cotton Licensing agreement; and
- 15                  n. mandating the use of electronic “Update Shipping Order (Batch 23 type)”  
16                  files and complying with provisions in the USDA and electronic warehouse  
17                  receipt provider agreement that:
  - 18                   (1) require the warehouse to:
    - 19                   (i) accept staging shipping orders (EWR Batch 31 files); and
    - 20                   (ii) respond to shipper generated shipping orders (EWR Batch  
21                  21 files) or staging shipping orders containing a valid requested shipping  
22                  date with an updated shipping order no later than two business days;
  - 23                   (2) require shipping orders without valid requested shipping dates or a  
24                  TBA designation to be flagged and returned to the sender by the provider;  
25                  and
  - 26                   (3) require shipping orders with a TBA designation to be followed up  
27                  with an updated shipping order containing a valid requested shipping date;

1        11. Urge EWR Inc. to continue to collect and make available to USDA relevant  
2        shipping order information for the purposes of automating the weekly reporting of BMAS  
3        shipping orders, and to:

4                a. serve as a portal/clearinghouse for data related to the scheduling and  
5                confirmation of shipping dates,

6                b. maintain all historical data for the purpose of facilitating USDA audits;

7                c. provide a standard format to the industry for reporting said data;

8                d. require that the locator ID be populated by the warehouses on the  
9                electronic warehouse receipt;

10               e. encourage the locator ID be re-populated when the bale location changes;

11        and

12        12. Continue assembly of the Permanent Bale Identification (PBI) Task Force to  
13        review PBI requirements in light of emerging technologies such as RFID and smart  
14        tags, while strongly encouraging industry-wide use of the current PBI system as  
15        developed by the PBI Task Force which:

16               a. includes a permanent, unique, 12-digit number comprised of the gin code  
17               and gin bale number;

18               b. permits attachment of PBI tags at warehouse locations where  
19               gin/warehouse business relationships make this more feasible;

20               c. permits warehouses to attach their own tags bearing warehouse code and  
21               warehouse bale number and use their current system of warehouse receipt  
22               numbering;

23               d. provides that the government sample will continue to include a  
24               USDA/AMS approved gin coupon and that the bale tag contains additional  
25               coupons that can be used if additional samples are requested;

26               e. specifies that shipping orders may continue to reference the warehouse  
27               receipt number, weight sheets will be based on the PBI, and EDI transmissions  
28               will be based on the PBI;

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- 1                   f. directs textile manufacturers to ensure that PBI tags remain on rejected  
2                   bales;
- 3                   g. requires USDA/AMS to continue its monitoring role to ensure that the bale  
4                   numbering system used by the gins produces PBI numbers that are, indeed,  
5                   unique across five crop years; and
- 6                   h. provides for continued work by appropriate Council committees to further  
7                   improve the PBI system by continuing to evaluate a tag format which, to the  
8                   extent practicable, will be standardized with respect to size, layout, color,  
9                   number, durability and location of tags on bales, and includes a barcode format,  
10                  quick response (QR) code, and eye-readable numbers and allows for on-  
11                  location printing;
- 12                  i. ~~Work with the Joint Cotton Industry Bale Packaging Committee to add a~~  
13                  ~~quick response code in addition to the bar code, giving "space" for future~~  
14                  ~~traceability and sustainability information; [Staff Change to reflect updated PBI~~  
15                  ~~tag specifications including QR code]~~
- 16                  13. Urge CCC to define "CCC approved storage capacity" as the higher of the  
17                  maximum licensed CCC approved storage capacity or the actual number of bales  
18                  stored at any time during the marketing year; once the warehouse has established its  
19                  maximum licensed capacity or stored its maximum number of bales, the higher number  
20                  will be used to determine compliance for the balance of that marketing year, with the  
21                  following exception: if the maximum number of bales stored (for a week in a year) falls  
22                  below the warehouse's licensed capacity, an adjustment to effective capacity could be  
23                  made by CCC if requested by a warehouse;
- 24                  14. Urge industry compliance with the minimum shipping standard –which is to make  
25                  available for shipment 4.5% per week of "CCC approved storage capacity" in effect  
26                  during the relevant week of shipment by:
  - 27                   a. allowing "Bales Not Picked Up" (BNPU) to be counted for only one  
28                   reporting period, where:

(1) new PBI/mark combinations not already counted in a previous week as made ready within a defined period, equals bales shipped plus bales not picked up;

(2) bales not picked up will be only reported one time during that defined period;

(3) PBI/mark combinations will be reported to EWR in the weekly cotton flow report; and

(4) for purposes of determining compliance, the BMAS calculation shall be based on a two-week rolling average; and

b. reminding the industry that the shipping standard is a minimum standard and that warehousers should strive to exceed the minimum standard especially when necessary to meet the demand for U.S. cotton; and that such a standard be enforced by voluntary warehouse industry arbitration procedures or the U.S. judicial courts system with minimum government involvement and no associated user fees:

15. Urge enhancement of the current minimum shipping standard, such that if a warehouse is unable to offer a date within 6 weeks, then beginning on the 7<sup>th</sup> week and all subsequent weeks the warehouse will have to schedule at a rate of 5.25% and continue to schedule at 5.25% until they are able to offer dates within 6 weeks again; provided further,

a. a week that has been established at 5.25% cannot revert to 4.5%, but once the warehouse resumes scheduling shipments less than 6 weeks in the future, its shipping standard will return to 4.5% per week; and

b. ready dates offered no more than 3 days prior to requested shipping dates are considered compliant; and

c. Further urge the industry to commit to developing a report which identifies the weeks for which a warehouse has an increased shipping standard to 5.25%:

16. Urge the U.S. Department of Agriculture to ~~initiate a~~ continually monitor the *Staff change to reflect new automated auditing reports through USDA and EWR*

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1    *inc.]* non-complaint-driven auditing system to audit compliance of warehouses and  
2    shippers regarding the Minimum Shipping Standard and related regulatory policies;

3        17. Allow the NCC Cotton Flow Committee to continue to investigate, for NCC Board  
4    consideration and approval, what constitutes appropriate rewards for exceptional  
5    performance and penalties for nonperformance and urge the organizations that are  
6    responsible for cotton trade rules to adopt or modify their rules to accommodate such  
7    rewards and penalties; while allowing warehouses to establish a premium fee for  
8    exceptional service provided that:

9            a. cotton trade associations' trade rules are reviewed to ensure that variable  
10          warehouse charges and credits that are designed to enhance flow do not accrue  
11          to sellers account;

12            b. the fee is in the warehouse's tariff and/or negotiated between warehouse  
13          and shipper;

14            c. any premium fee would not be charged to the seller's account; and

15            d. an optional BMAS removal fee (or a restocking fee) should be allowed for  
16          BNPU on the confirmed ready date, two business days after the shipper has  
17          been notified by the warehouse;

18        18. Recognizing that most domestic textile mills today utilize truck appointment  
19          dates, encourage all other segments of the cotton industry to exercise full cooperation  
20          toward assuring that cotton shipments arrive at mills on time;

21        19. Advise all segments as well as federal agencies and code writing groups of the  
22          declassification of cotton as a hazardous material by the U.S. Department of  
23          Transportation, International Maritime Organization, National Fire Protection Association  
24          and the International Code Council; and to continue working with Cotton Warehouse  
25          Association of America, Cotton Growers Warehouse Association and other interest  
26          organizations to update fire, building and other codes that apply to densely baled cotton  
27          such as those written by, but not limited to, the National Fire Protection Association and  
28          the International Code Council;

1        20. Urge the Maritime Administration of the U.S. Department of Transportation, the  
2        Federal Maritime Commission, railroads, shipping companies and others to cooperate  
3        with all segments of the U.S. cotton industry in efforts to expedite the movement of  
4        cotton, cottonseed and cottonseed products to consuming mills and other end-users at  
5        more competitive rates; and urge that transportation segments not increase  
6        transportation charges during the marketing year;

7        21. Urge the Federal Motor Carrier Safety Administration to consider granting relief to  
8 carriers of seedcotton, cotton, cottonseed and other agricultural products from its  
9 regulations, such as strict hours of service regulations, that can lead to excessive  
10 delays in loading and unloading cargo while providing little or no additional protection to  
11 carriers;

12        22. Investigate the feasibility of bale grouping procedures at the bale press that  
13    would allow consecutive gin bales to be merchandized then stored and handled as a  
14    single unit;

## WAREHOUSING

16        23. Seek to preserve all value aspects of cotton warehouse receipts through  
17 continuation of prompt and reliable service and shipment; maintain government  
18 regulations that permit receipts to remain fully insured while under private ownership;  
19 urge USDA to adopt no regulation that would diminish the value or limit the negotiability  
20 of the warehouse receipt; and work with the banking industry to resolve any problems  
21 relating to the financing of cotton;

22        24. Encourage the Cotton Foundation, Cotton Incorporated, the U.S. government  
23 and others to allocate funding for systems analysis research that involves warehouse  
24 operations and is focused on identifying potential areas of increased productivity such  
25 as cotton flow transportation studies, labor-savings devices, equipment use, and the  
26 utilization of other physical resources:

27 25. Support the U.S. Warehouse Act's current licensing fees without further user  
28 fees, advocating that the cost of administering the program be defrayed from the

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- 1 general treasury; and continue to seek a method of assuring that bales of cotton
- 2 represented by warehouse receipts contain gradable cotton;
- 3        26. Support the administrative procedure whereby CCC pays accrued storage
- 4 charges to warehouses at the end of the original loan period and quarterly thereafter,
- 5 recommend that the payment be at the individual warehouse-published tariff rates;
- 6        27. Support a uniform maximum CCC storage credit rate, recognizing the need for a
- 7 higher credit rate for the Far West;
- 8        28. Recommend that CCC allow inter-warehouse transfers at any time with no limit
- 9 on CCC storage credit provided that:
  - 10            a. a revised CCC Form-605 clearly states the authority granted to the agent,
  - 11            b. all costs associated with transfer are paid by the requester, and
  - 12            c. the sanctity of the warehouse receipt is preserved;
- 13        29. Recommend that CCC continue to allow cotton to be transferred between
- 14 warehouses under common ownership with no limit on CCC storage credit provided
- 15 that:
  - 16            a. all costs associated with transfer are paid by the requester; and
  - 17            b. the sanctity of the warehouse receipt is preserved;
- 18        30. Urge USDA to consult and seek advice from the National Cotton Council or its
- 19 appropriate committee before making exceptions to provisions of the storage contract
- 20 between CCC and the cotton warehouse industry;
- 21        31. Continue to support procedures for waiving unnecessary pre-shipment
- 22 fumigation requirements for baled cotton, cottonseed and cottonseed products;
- 23 encourage timely issuance of phytosanitary certificates that comply with our WTO treaty
- 24 obligations;
  - 25            a. encourage use of the updated USDA-APHIS national cotton compliance
  - 26 agreement template found in Section 4, Special Procedures—Commodity -
  - 27            Cotton of the USDA-APHIS-PPQ Export Program Manual;

1           b. examine resulting consequences for warehouses, exporters and other  
2           affected parties associated with such program changes; and  
3           c. insure procedures for inspections and issuing phytosanitary certificates,  
4           including electronic certificates for baled cotton issued using the APHIS  
5           Phytosanitary Certificate Issuance and Tracking system, conform with industry  
6           practices;

7           32. Recommend that, as a requirement to store USDA loan collateral bales of cotton,  
8           warehouses be certified to authorize the issuance of phytosanitary certificates for  
9           USDA; have a compliance agreement for the performance of phytosanitary inspections;  
10          meet USDA-PPQ phytosanitary standards and include the compliance certificate in their  
11          tariff along with the expiration date; specify their required process for requesting  
12          phytosanitary applications in their tariff and adapt to electronic application processing  
13          and submission. USDA is encouraged to streamline the process and issuance of phyto-  
14          sanitary documents, and their acceptance by foreign entities and/or government; and  
15          further urge USDA to develop and utilize electronic filing for phyto-sanitary certificates  
16          through the Phyto-sanitary Certificate Issuance and Tracking System (PCIT);

17          33. Urge CCC to ensure that warehouse receipts accompanying forfeited cotton  
18          made available for sale by the CCC or any other private sector sales agency reflect the  
19          amount of any outstanding warehouse charges;

20          34. Oppose the outside storage of cotton as a conventional storage practice; and  
21          urge CCC to allow outside storage for loan cotton only under the following conditions:

22           a. the warehouse submits an application for approval of outside storage to  
23           CCC and such warehouse is located in a storage deficit area as determined by  
24           CCC;

25           b. the warehouse complies with all outside storage requirements established  
26           by CCC (including duration limits, all-risk insurance, use of additional protective  
27           coverings and elevation of the bottom surface of the bale);

28           c. the warehouse provides CCC a weekly report in a format prescribed by  
29           CCC identifying individual bales of loan cotton that are stored outside;

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- 1                   d. "outside storage" is defined as being stored outside more than 15 days
- 2                   after loan entry;
- 3                   e. eligibility for storage credit will be denied on a bale-by-bale basis during
- 4                   the period cotton is stored outside but, when moved back inside, eligibility for the
- 5                   storage credit will be restored; and
- 6                   f. the warehouse receipt will denote the dates the bale was stored outside;
- 7                   35. Urge CCC, when determining deficit storage areas, to divide states into more
- 8                   than one area, as appropriate, based on criteria established in consultation with the
- 9                   National Cotton Council, and CCC is urged to publish the data supporting the
- 10                  determination of the storage deficit areas;
- 11                  36. Urge warehouses to stage any individual shipping order at a single point of
- 12                  pickup, which should be communicated to the shipper in advance of the agreed upon
- 13                  ship date, if the pickup point is not equal to the profile address listed for the warehouse
- 14                  code on EWR. If warehouses choose not to perform this function by obtaining individual
- 15                  warehouse codes, they will, at their own expense, consolidate all bales to the single
- 16                  point of pickup;
- 17                  37. Recommend segments of the cotton industry that handle baled cotton should
- 18                  provide staff training as outlined in the "A Guide for Cotton Bale Standards", a National
- 19                  Cotton Council publication, and further recommend that the holder or depositor of the
- 20                  bale be notified when the bale fails to meet the recommended standard as listed in the
- 21                  "A Guide for Cotton Bale Standards";
- 22                  38. Urge the elimination of practices that provide non-performance incentives;
- 23                  39. Urge USDA to enhance communication and transparency with state warehouse
- 24                  licensing authorities as federal regulatory requirements change. Furthermore, as
- 25                  industry initiatives are proposed, approved, and implemented, it is encouraged that
- 26                  state regulatory authorities and the USDA collaborate on education efforts, and strive to
- 27                  attain regulatory consistency within the industry;

1                   **CONTAINER SECURITY REQUIREMENTS**

2       40. Incentivize U.S. cotton warehouses to provide a cost-effective option for  
3       providing appropriate seals and documentation, with such documentation provided via  
4       EWR.

5                   **COMPUTER AND ELECTRONIC TECHNOLOGY**

6       41. Investigate and pursue benefits to the cotton industry from the appropriate and  
7       economical use of computers, including electronic communication, data transfer,  
8       simulation and sensor technology, and continue to support the use of electronic  
9       classification information and an electronic cotton warehouse receipt system by  
10      specifically:

11                a. monitoring any legislative and regulatory proposals affecting the use and  
12        integrity of electronic warehouse receipts and electronic classification  
13        information; assisting the industry in protecting the legality of the electronic  
14        warehouse receipt system and in protecting the negotiability of receipts as bona  
15        fide instruments evidencing title and a possessory right to the cotton, and actively  
16        assisting in securing the full support of the U.S. government in upholding the  
17        legality and negotiability of electronic warehouse receipts;

18                b. urging USDA not to increase from last year's level the fee it charges to  
19        electronic cotton warehouse receipt providers and asking USDA to study the  
20        benefits which the Department and other entities receive from the use of  
21        electronic receipts before increasing fees;

22                c. urging USDA to continue use of electronic technology and the private  
23        sector to improve the loan process in a manner that protects the interests of the  
24        producer, the CCC and the cotton industry, including the centralized system for  
25        loan processing and redemption;

26                d. urging USDA/CCC to continue to utilize private sector on-line electronic  
27        marketing systems for the sale of CCC-owned upland and extra-long staple  
28        cotton;

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- 1                   e. working with others to identify e-commerce tools like cell phone
- 2                   applications or similar web-based applications that eliminate real time
- 3                   communication gaps throughout the cotton supply chain and ensuring all levels
- 4                   of the cotton supply chain are aware of and have access to cotton friendly e-
- 5                   commerce tools; and
- 6                   f. recommending the creation of an emerging cotton technology committee
- 7                   made up of representatives from the seven segments and other interested
- 8                   stakeholders.

## 1           **HEALTH, SAFETY AND ENVIRONMENTAL QUALITY** 2           **COMMITTEE**

3           The Health, Safety and Environmental Quality Committee recommends for 2025  
4           **2026** that the Council:

5           1. With respect to legislative and regulatory initiatives for protecting health, safety  
6           and environmental quality:

7           a. seek policy, when necessary, that is reasonable; appropriate; based on  
8           risk and sound science; technically feasible; cost-effective; and adequately  
9           communicated to all affected parties prior to being established, interpreted and  
10           enforced;

11           b. pursue voluntary, incentive-based practices and policies, in lieu of  
12           mandatory command and control requirements;

13           c. oppose regulation through compliance guidelines; and

14           d. work with other groups and coalitions whenever possible to achieve policy  
15           goals and recommendations;

### 16           **RAW COTTON DUST**

17           2. Assist cotton industry organizations and firms in protecting workers by continuing  
18           to successfully reduce exposure to cotton dust, complying with standards and dealing  
19           with state and federal agencies and insurance companies;

20           3. Monitor state and federal worker compensation actions and adoption of cotton  
21           dust regulations and compliance interpretations; and further, assist in legal actions as  
22           necessary and work to make interpretation of the cotton dust standard consistent  
23           among federal and all state-level regulatory agencies;

### 24           **AFLATOXINS/OTHER CONTAMINANTS**

25           4. Work with USDA and other commodity groups (corn, peanuts and tree nuts) to  
26           support and give direction to research to eliminate aflatoxin contamination of  
27           cottonseed, including participation in the review of USDA-ARS national programs

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1 involving food safety and to implement new technology as soon as feasible, including  
2 biocontrol technology; support research efforts to develop an improved method and  
3 procedure for determining aflatoxin levels in cottonseed and cottonseed meal; continue  
4 to push for reasonable, safe action levels in feeds and foods, and for approval of  
5 blending and ammoniation by federal and state agencies as a means of meeting such  
6 levels;

7       5. Work with appropriate groups and agencies to ensure that only necessary,  
8 appropriate, cost-effective and feasible regulations and guidelines for microbial  
9 pathogens and other contaminants and constituents as well as food and feed products  
10 labeling are applied to cottonseed and cottonseed products;

## **FLAMMABILITY AND FIRE PREVENTION**

12       6. Support voluntary flammability standards, when feasible, in preference to  
13 mandatory standards and modification of mandatory standards, where appropriate, for  
14 the regulation of cotton textiles and home furnishings; support the preemption  
15 provisions of the Flammable Fabrics Act, which provide for uniform federal standards;  
16 and support information and educational efforts for consumer textile products and  
17 interior/home furnishings;

18       7. Cooperate with appropriate agencies and other organizations in collecting fire  
19 incidence and burn injury data involving cotton textile products and cotton bales in  
20 developing technical information concerning potential standards and in determining  
21 economic consequences of proposed standards; participate in state, national and  
22 international standards development that affect cotton products;

23       8. Encourage continued research and development of flame-resistant cotton  
24 products and flame-retardant finishes and research for a better understanding of the  
25 flammability characteristics of cotton textiles, cotton bales, and of combustion products  
26 of treated and untreated cottons; and urge funding for accelerated research for early  
27 detection of bales which may harbor potential sources of ignition and other methods for  
28 prevention of cotton storage fires;

1        9. Urge gins to install spark detection systems to assist in the early detection of  
2 potential fire;

3        10. Recommend gins and warehouses follow NCC guidance for Best Practices for  
4        Prevention of Fire Bales:

# OCCUPATIONAL SAFETY AND HEALTH

6        11. Recognizing that worker safety and health are primary concerns for all segments  
7        of the cotton industry, maintain liaison with all agencies and the National Cotton Ginners  
8        Association, National Cottonseed Products Association, ~~National Textile Association~~,  
9        National Council of Textile Organizations, and other groups concerned with the safety  
10        and health of workers; provide assistance to all segments of the cotton industry affected  
11        by regulations and legislation; **[Staff change to remove reference to National Textile**  
12        **Association since association merged with NCTO]**

13        12. Recognize the domestic cotton and textile industry's focus on employee safety  
14 and health and efforts to increase industry awareness of safety and health  
15 opportunities; encourage companies to establish and maintain well-rounded safety and  
16 health programs that demonstrate to consumers the U.S. cotton and textile industry's  
17 commitment to worker safety and health; support and participate in the development of  
18 voluntary health and safety management and training programs and potential alliances  
19 with OSHA that help cotton industry sectors maintain a safe and healthful workplace;  
20 and support protection of information generated through health and safety audits and  
21 other confidential information:

22        13. Urge strict enforcement by the U.S. government of all laws and regulations  
23        ensuring fair and equal treatment of all employees; and evaluate U.S. government  
24        efforts, including legislation, aimed at preventing circumvention of U.S. labor laws, and  
25        support such efforts if they provide an equitable and effective remedy;

# CHEMICAL REGULATORY GUIDELINES

27 14. Support adoption of consensus policy for federal and state agencies in evaluating  
28 and regulating chemicals that might pose unreasonable risks due to acute or chronic

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1 toxicity; support the use of appropriate risk assessment methodology for identifying  
2 priorities for regulation and for regulating risk; and also:

- a. work with all regulatory agencies to ensure that any new generic or comprehensive/substance-specific standards for dyeing and finishing textile chemicals and other chemicals used in the cotton, cottonseed and cotton textile industries are as outlined above;

- b. support efforts to improve the process for establishing regulations; and
- c. cooperate with other organizations with similar goals;

9        15. Maintain and consult on an as-needed basis an industry task force on workplace  
10 and consumer issues to provide guidance on proposed regulations and legislation  
11 dealing with biotechnology, chemicals, processes and product performance;

# BIOSECURITY

13        16. Recognizing the concern for criminal misuse of agricultural production chemicals,  
14        work to:

15 a. promote regulatory and voluntary measures to increase security with  
16 minimal disruption to production agriculture; and

17                   b. prevent the imposition of unnecessary and unreasonable biosecurity and  
18                   chemical safety regulations;

19 17. To address concerns about bioterrorism, continue support of the Bioterrorism Act  
20 of 2002 and similar legislation; urge facilities that process, store, handle and/or hold  
21 food/feed to follow Food and Drug Administration (FDA) requirements; urge warehouses  
22 to comply with security requirements; urge cotton producers to consider security  
23 measures that are necessary and reasonable and work with Department of Homeland  
24 Security, USDA, FDA, and other governmental agencies and other associations to  
25 improve the assessment of vulnerability and communication of potential concerns;

## 1 AGRICULTURAL CHEMICALS

2       18. Recognize and promote the Congressional intent of the Federal Insecticide,  
3       Fungicide and Rodenticide Act (FIFRA) as the sole authority for the risk assessment  
4       and registration of pesticides and pesticide uses;

5       19. Work to ensure that implementation of amendments to the Federal Food, Drug  
6       and Cosmetic Act (FFDCA) and FIFRA within the Food Quality Protection Act (FQPA)  
7       provide for:

8           a. expeditious approval of registrations and tolerances for new cotton crop  
9       protection products;

10          b. review of existing registrations based on sound science and accurate  
11       data;

12          c. timely approval of Section 18 registrations in emergency situations and  
13       more reasonable and consistent evaluation of their safety;

14          d. the use of sound science and rational approaches by EPA in determining  
15       aggregate risks, additional safety factors for infants and children, common  
16       mechanisms of toxicity and use of methodologies for cumulative risk estimates;

17          e. continued participation in the Pesticide Program Dialogue Committee  
18       (PPDC) and the Pesticide Policy Coalition (PPC) and insist that no provision of  
19       the FQPA be implemented in a manner that disrupts the availability of the already  
20       safe, nutritious and affordable supply of food and fiber;

21          f. the use of voluntary human biomonitoring, pharmacokinetics, and toxicity  
22       studies under safe and ethical conditions; and

23          g. the use of sound data and improved methodologies by EPA when  
24       estimating worker and ecological risks along with comparisons of these estimates  
25       to actual field histories and realistic incidence data;

26       20. Support the continued availability of non-proprietary and minor use of cotton crop  
27       protection products under the data call-in and re-registration process and urge  
28       manufacturers to provide formulation dates of all products;

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- 1        21. Urge that any structural and land management practices (i.e. buffer zones, minimum dilutions, plant back, maintained vegetative buffer strips, etc.) imposed as crop protection product application/use restrictions be based on scientific proof as necessary to mitigate human health or environmental effects or crop damage;
- 5        22. Vigorously support the adoption of rational pesticide spray drift label language that does not establish a zero drift policy; recognize agricultural chemicals associated with cotton's transgenic traits can be safely applied in a manner similar to those for other crops; support cross-commodity educational efforts which encourage responsible, good neighbor activity to minimize off-target drift ramifications rather than the imposition of regulatory mandates; encourage enhanced communication to identify sensitive areas of neighboring farms and other land uses; encourage adoption of improved application technology by providing label language incentives;
- 13        23. Continue to encourage appropriate use of cottonseed oil as a crop protection product carrier and in crop protection product formulations;
- 15        24. Develop pesticide use and other needed data to help maintain access to necessary crop protection products;
- 17        25. Recognize the ecological and economic importance of pollinators and urge that any pesticide risk assessment for pollinators in cotton be based on sound science and actual field data related to colony health and that any mitigation arising from these assessments be conducted in a manner that does not infringe on the rights of property owners; support collaborative practices and communications that minimize crop yield losses and/or producer liability related to pollinators while enhancing pollinator protection and ensuring the availability of crop protection products; support efforts to improve pollinator habitat in non-crop land including conservation program lands and federal and state parks, forests, and roadsides; support the concept that honey bees and native pollinators should have equal access to federal and state lands;
- 27        26. Support adequate Congressional funding and administrative support for USDA's Pesticide Data Program (PDP) and Office of Pest Management Policy (OPMP);

1        27. Work with the Foreign Agricultural Service (FAS) to facilitate trade by supporting  
2        Maximum Residue Levels (MRLs) and Tolerances established by the U.S. government  
3        and the voluntary Sanitary and Phyto-Sanitary Measures (SPS) established under the  
4        Codex Alimentarius in relation to foreign governments and their import requirements;

5        28. With regard to regulation of crop protection product uses to meet the  
6        requirements of the Endangered Species Act (ESA):

7            a. support the development and use of scientifically sound procedures for  
8        determining whether, and under what situations, a biological entity is endangered  
9        or threatened;

10           b. support more accurate peer reviewed studies and public hearings for  
11        determination and identification/description of the ranges of endangered species;

12           c. urge that any regulation of agricultural inputs and practices required by the  
13        ESA, including restrictions on the availability and use of crop protection products  
14        and nutrients, include an economic impact analysis, risk-benefit analysis,  
15        availability of feasible alternatives and identification of the actual presence of  
16        endangered species in defined critical habitats;

17           d. support a collaborative effort between EPA and the U.S. Fish and Wildlife  
18        Service and National Marine Fisheries Service which establishes an efficient and  
19        timely methodology for complying with the consultation requirement of the ESA  
20        as it applies to pesticide registrations and reviews; urge modification of ESA to  
21        resolve consultation requirements impeding FIFRA registrations due to conflicting  
22        statutory requirements;

23           e. urge federal agencies, with input from local groups including agriculture, to  
24        develop and implement state and local plans in lieu of a single federal plan;

25           f. urge modification of the ESA policy to ensure a more efficient process  
26        wherein species which are no longer endangered or threatened are expeditiously  
27        removed from the endangered or threatened species list;

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1                   g. vigorously work for modifications to the ESA so that economics and  
2                   rationality are criteria for implementation and a reasonable balance between the  
3                   protection of endangered species and human need is achieved; and

4                   h. participate in agri-chemical manufacturer efforts to comply with existing  
5                   ESA requirements to ensure that any policy developed as a result does not  
6                   unduly limit producers' access to products or inadvertently create additional ESA  
7                   compliance requirements;

8                   29. Urge EPA, Congress and states not to impose groundwater regulations on the  
9                   use of farm crop protection products and fertilizers except in situations and/or locations  
10                  where their use has been scientifically proven to be capable of contaminating  
11                  groundwater at levels that will threaten human health;

12                  30. Continue cooperation with the agricultural chemicals industry, state and federal  
13                  agencies, applicators and other crop protection products user groups regarding  
14                  container disposal and pesticide application stewardship;

15                  31. Urge that when the registration of an agricultural crop protection product is  
16                  canceled, either voluntarily by a registrant or by action of EPA, the unused stock in  
17                  farmers' and ranchers' possession can be legally (and not as hazardous waste) used as  
18                  labeled until the unused stock is depleted or that farmers or ranchers be compensated  
19                  for the unused stock, transportation and EPA approved disposal of the unused stock by  
20                  the registrants or EPA;

21                  32. Work with textile manufacturers, other commodity groups, farm organizations,  
22                  governmental agencies and legislators to promote meaningful dialogue with  
23                  environmental, consumer, retail, brands, and labor groups to discuss the scientific facts  
24                  concerning agricultural chemicals and biotechnology enhanced crops and their  
25                  importance to a strong agricultural economy and to a plentiful, safe and inexpensive  
26                  food and fiber supply; and to establish a meaningful dialogue regarding scientific facts  
27                  and possible environmental and consumer concerns about agricultural chemicals and  
28                  their use in production agriculture;

1       33. Support the objective that crop protection product/environmental safety initiatives  
2    focus on risk reduction measures rather than only reduction in the use of crop protection  
3    products;

## **ENVIRONMENTAL QUALITY/POLICY**

34. Support and work toward a clean environment through environmental laws and established federal and state environmental protection program policies which protect the environment and foster the cotton industry's ability to remain economically viable by:

- a. supporting changes to federal environmental laws and the regulations which protect property rights and compensate landowners for any value lost due to economic devaluation of property resulting from enforcement;
- b. urging USDA to fully utilize the Office of Risk Assessment and Cost-Benefit Analysis and other sources to assess the impact of environmental regulations on the cotton industry's ability to produce and process cotton and cottonseed;
- c. working with Congress to avoid adverse impacts to agriculture within environmental legislation or amendments to current law;
- d. supporting research and development of feasible, cost-effective methods and technology for complying with environmental regulations and requirements;
- e. continuing to utilize the Environmental Task Force to provide guidance and recommendations on proposed regulations, legislation and other policies, which involve conservation practices and programs, endangered species issues, availability of crop protection chemicals, clean water and air policies, climate change, biotechnology, sustainability and other environmentally related legislation and regulations;
- f. promoting the recognition (by EPA and other concerned agencies and groups) that advances in conservation tillage, precision farming, use of biotech seeds and plants, and other emerging technologies, have and will provide significant positive environmental impacts; furthermore, that standards of

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1       measurability for these impacts should be developed and included in  
2       environmental policy and regulation that influences agriculture; and

3           g. working to ensure that changes to environmental regulations and policy  
4       are made through notice and comment rulemaking rather than through litigation,  
5       consent decrees, and guidance directives;

6       35. Work with producer, ginner, warehouse, textile, cottonseed and other appropriate  
7       associations and groups as needed to seek solutions to specific environmental  
8       problems, and assist industry organizations and firms in complying with regulations;

9       36. Work with U.S. textile manufacturers to reduce the amount of waste at textile  
10      mills from agricultural products and packaging;

11       37. Work with the manufacturers, Cotton Incorporated and the USDA ginning  
12      laboratories to develop methods to recycle or dispose of module wrapping materials;

13       38. Work with all sectors of the cotton industry to encourage sound waste  
14      management disposal practices and support necessary legislation and regulation  
15      amendments that remove unfair liability requirements under Superfund;

16       39. Recognize the importance of preserving environmental quality, delivering safe  
17      and environmentally responsibly produced food and fiber products and maintaining a  
18      profitable base for production agriculture by:

19           a. supporting aggressive programs to address industry related environmental  
20      concerns;

21           b. seeking additional research funds to develop practical alternative  
22      production technologies to produce crops with reduced unit inputs;

23           c. supporting programs for environmental excellence that promote  
24      stewardship in cotton production, and consider similar programs for other  
25      industry segments as needed and support use of voluntary industry management  
26      programs;

27           d. keeping USDA, EPA and others advised of beneficial developments  
28      resulting from such programs; and

1                   e. supporting legislation which protects information generated as a result of  
2                   environmental audits or assessments;

3                   40. Recognize the cotton and textile industry's commitment to environmental  
4                   stewardship/preservation and sustainability, while supporting and participating in the  
5                   development of environmental management programs/standards and in sustainability  
6                   forums that help all cotton industry sectors;

7                   41. Recognize an interest in organically grown cottons, naturally colored cottons and  
8                   other specialty cottons, and further recognize that accurate and proper communication  
9                   about such cottons serves the interest of the entire U.S. cotton industry by:

10                  a. monitoring and evaluating production methods for organic and specialty  
11                  cottons and working with all appropriate private and public agencies and  
12                  organizations to develop research, production and processing procedures for  
13                  specialty cottons which maintain genetic seed purity, prevent contamination of  
14                  processing facilities and facilitate continuation of sound scientifically based crop  
15                  protection practices by commercial operations; and

16                  b. working with other cotton organizations, industry, government agencies  
17                  and coalitions to address communications and marketing claims that are false or  
18                  misleading concerning the relative safety or value of products and negative for  
19                  cotton and counterproductive for the cotton industry as a whole;

20                  42. Urge establishment of a thorough scientific database to determine the source  
21                  and extent of environmental impact by agriculture before compliance with strict  
22                  regulatory provisions is required;

23                  43. Urge that states having established environmental protection programs affecting  
24                  agriculture that equal or exceed federal standards be considered in compliance with  
25                  these standards;

26                  44. Work to ensure that the Clean Water Act (CWA) is not interpreted in a manner  
27                  that leads to new regulations and permitting requirements that go beyond the intent of  
28                  Congress; work to overturn the ruling of the Sixth Circuit Court of Appeals in NCC v.

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- 1    EPA; and oppose legislative efforts to remove the term “navigable waters” from the
- 2    CWA;
- 3    45. Assure a reasonable and science-based development and implementation of the
- 4    Total Maximum Daily Load (TMDL) program by supporting the right of states to develop
- 5    voluntary, affordable, site-specific, non-point source management plans with a focus on
- 6    impaired watersheds, and continue the use of Extension Service information, Natural
- 7    Resources Conservation Service technical assistance and government cost-share
- 8    assistance administered by county and district Farm Service Agency (FSA) offices;
- 9    46. Continue efforts to ensure that EPA oil spill prevention and response
- 10   requirements, including Spill Prevention, Control and Countermeasure (SPCC) plans,
- 11   are not unduly burdensome to producers, ginners, and oil mills;
- 12   47. Support research, development, education and financial incentives for
- 13   environmentally responsible and economically achievable agricultural practices, and
- 14   encourage voluntary nutrient management programs at the state and local levels, if
- 15   appropriate, that are efficient, viable and economically productive;
- 16   48. Work to obtain exceptions or favorable interpretations of the Farm Worker
- 17   Protection Standard (WPS) that continue to protect workers while recognizing that
- 18   farming is not conducted within a controlled environment and, therefore, must be flexible
- 19   and adaptable to site-specific practices using scientifically determined safe re-entry
- 20   intervals; and continue to provide adequate resources to complete the industry’s WPS
- 21   education and compliance program;

## **CONSUMER PROTECTION**

- 22   49. Support consideration of consumer interests by the industry and current
- 23   government agencies when regulations are being developed; and ensure that
- 24   amendments to the Consumer Product Safety Commission (CPSC), including the
- 25   Consumer Product Safety Improvements Act (CPSIA), and regulations (e.g. for lead,
- 26   phthalates, formaldehyde, testing and certification) promulgated pursuant to those
- 27   amendments are necessary and appropriate;

1

## BIOTECHNOLOGY

2       50. Recognizing the benefit biotechnology based products offer to reduce production  
3 costs, protect the environment and improve the quality of products offered to  
4 consumers, encourage government agencies, registrants, producers, processors and  
5 the scientific community to work to develop, implement and maintain a regulatory  
6 system that is limited to human and environmental safety assessments, science-based,  
7 transparent and allows for timely approval of new products and re-registration of  
8 existing products, including the adoption of necessary, effective and reasonable  
9 resistance management regimes; work to promote adoption of a harmonized  
10 international regulatory system that is science-based, transparent and allows timely  
11 introduction of new products without unnecessarily adversely affecting trade; promote  
12 communication of science-based information and discourage communication of false  
13 and misleading claims about biotechnology based cotton products, but notify customers  
14 immediately if any significant adverse human safety and health issues are found; work  
15 with the U.S. government and others to ensure that the provisions of international  
16 regulatory agreements are not implemented in a way which adds unnecessary costs or  
17 adversely affects trade in biotech products; and continue to work collaboratively through  
18 the Ag Biotech Alliance to achieve such goals;

19       51. Support the current regulatory scheme of relevant jurisdictions by USDA, EPA  
20 and FDA which allows for independent assessments and recommendations;

21       52. Approvals of new products should recognize the fact that the U.S. cotton industry  
22 currently cannot segregate biotech and conventional varieties nor segregate varieties  
23 containing different traits; and domestic approval decisions for new products in relation  
24 to approvals in major international markets should be agreed upon through internal  
25 discussions with the relevant commodity group, technology provider and regulatory  
26 agency and not as a matter of broad policy in accordance with the spirit and intent of  
27 BIO's "Product Launch Stewardship" agreement;

28       53. Recognizing that post-patent transgenic traits may create a generic trait market  
29 and that international trade could be significantly disrupted if international approvals for  
30 such traits are not maintained, support voluntary private sector agreements wherein an

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1 orderly process for the transfer of post-patent proprietary data to generic providers is  
2 established in order to support the use of generic traits and to maintain international  
3 approvals;

4 54. Recognizing the enormous investment necessary to develop new biotechnology  
5 traits and capabilities, continue to work to encourage domestic and global policy that  
6 protects intellectual property and prevents the exploitation of intellectual property;

7 55. Oppose a government mandated compensation fund for alleged harm resulting  
8 from pollen flow from biotech crops;

9 56. Support the development and use of biotechnology capabilities to transfer or  
10 modify genes presently identified in plants sexually compatible with cotton; support the  
11 position these modifications from sexually compatible plants should be recognized  
12 similar to conventional breeding of plants;

## **CLIMATE CHANGE**

14 57. Recognizing that U.S. government, states, government agencies, scientific  
15 organizations, some industry groups and individual companies are undertaking actions  
16 to reduce emissions and/or increase sequestration of greenhouse gases (GHG),  
17 support U.S. government and industry research to understand and verify the possible  
18 relationship between emissions and climate change, as well as to identify reasonable,  
19 cost-effective practices which are proven to reduce emissions and increase absorption  
20 while recognizing that carbon sequestration is a good conservation practice for soil  
21 quality and has potential for agriculture regarding the GHG issue; work with relevant  
22 agencies and organizations to ensure agriculture in general, and cotton specifically,  
23 receive credit for any practices already implemented which reduce emissions including,  
24 but not limited to, tax credits and an ability to engage in emissions trading; work to  
25 ensure that any programs related to emissions are voluntary and incentive-based; and  
26 assure that any unilateral decision by the U.S. government on emissions reduction or  
27 negotiations between governments should provide the greatest possible flexibility to  
28 fully account for carbon sequestered through agricultural activities and should be

- 1    economically assessed so that there will be no net negative impact on U.S. agriculture
- 2    or its ability to compete globally;

3        58. Support the position that U.S. agriculture has already implemented many  
4 production practices beneficial to successful alleviation of climate change; support  
5 appropriate scientific measurements promoting actions to mitigate climate change; seek  
6 national and international recognition of U.S. agricultural practices combating global  
7 climate change; support development of partnerships addressing climate change with  
8 balanced economic considerations;

9        59. Encourage USDA to develop or endorse definition and standards regarding the  
10      measurement and verification of carbon emission factors and carbon capture  
11      associated with agronomic practices in the United States for the purpose of creating  
12      greater reliability, viability, and transparency in a carbon market;

13 60. Recognize that the current Clean Air Act is inappropriate for regulating GHGs;  
14 that climate change is an international issue; and that any legislation or regulatory  
15 actions addressing climate change and GHGs should be global;

## AIR QUALITY

17        61. Urge USDA and EPA to fully utilize the USDA Agricultural Air Quality Task Force  
18 and the EPA Clean Air Act Advisory Committee in determining agricultural impacts on air  
19 quality and for developing air quality standards for agriculture;

20 62. Work as part of industry coalitions to ensure that standards for criteria pollutants  
21 and hazardous air pollutants are developed in accordance with sound science; are not  
22 lowered without compelling research indicating a need for further reductions; and are  
23 health-based and that adequate sampler technology and placement are used for  
24 implementation of standards, and if modeling is used for implementation of standards,  
25 that it be based on science appropriate for low level agricultural sources; and

26        63. Seek the necessary funding and work with the USDA Ginning Laboratories,  
27        government agencies, universities, and others to obtain appropriate, accurate emissions  
28        data for cotton gins and other agricultural sources.

## 1 INTERNATIONAL TRADE POLICY COMMITTEE

2 The International Trade Policy Committee recommends for ~~2025~~ 2026 that the  
3 Council:

### 4 TRADE POLICY

5 1. Recognizing both the agricultural and industrial aspects of international trade in  
6 cotton fiber, cottonseed, cottonseed products, textiles, and textile products (hereinafter  
7 referred to collectively as "cotton and its products"), work for policies in all trade matters  
8 (whether through trade negotiations, revisions in U.S. laws, international discussions  
9 and joint actions, U.S. government pressure or retaliatory trade actions) that will  
10 improve market access, enhance the ability to compete in international and domestic  
11 markets, and otherwise benefit the U.S. cotton industry (which includes for the purpose  
12 of these resolutions, all segments of the U.S. cotton industry, from the production and  
13 processing of cotton fiber through the manufacturing of textiles and apparel, and  
14 including cottonseed and other products);

15 2. Work for specific trade policies that will:

- 16 a. enhance the export of U.S. cotton and its products;
- 17 b. eliminate trade barriers against U.S. cotton and its products;
- 18 c. discourage unfair trade practices of countries (including currency  
19 manipulation, retaliatory tariffs, export subsidies and bans, state trading, state-  
20 owned reserves and textile manufacturing operations, and other practices) which  
21 harm the competitiveness of U.S. cotton and its products;
- 22 d. provide effective remedies against subsidized imports of cotton and its  
23 products that injure the U.S. cotton industry;
- 24 e. promote the orderly development of trade in cotton and its products,  
25 especially regarding textiles and textile products; and
- 26 f. enhance the competitiveness of the U.S. cotton industry;

27 3. Urge the U.S. government to take action through all appropriate measures:

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1           a. against countries that manipulate their exchange rates to gain unfair  
2            export advantages in trade in cotton and its products;

3           b. against countries and companies that transship and mislabel textiles, and  
4            textile products in international trade; and

5           c. to strictly apply truth in labeling laws so that U.S. cotton and its products  
6            are not disadvantaged;

7        4. Urge the U.S. government, through all appropriate mechanisms, to take steps in  
8            concert with other affected members of the international community to:

9           a. combat unfair trade practices (particularly those carried out in countries  
10            that centrally control certain aspects of their economies) and oppose illegal  
11            cotton fiber and yarn export bans and restrictions; and

12           b. ensure that the absence of textile quotas does not disrupt the orderly  
13            development of the U.S. and world textile markets;

14        5. Urge the Administration and Congress to accord normal trade relations treatment  
15            to certain countries when such action would improve the prospects for exporting U.S.  
16            cotton and its products and would not adversely affect the interests of the U.S. cotton  
17            industry, provided that such treatment should not be granted to textile-producing  
18            countries that have not joined the World Trade Organization (WTO) unless the country  
19            has entered into a bilateral textile quota arrangement with the U.S. and has otherwise  
20            agreed to grant effective market access for cotton and its products;

21        6. Urge the U.S. government to develop a long-term policy applicable to current and  
22            former non-market and centrally planned economies that:

23           a. promotes the development of free market principles;

24           b. ensures effective remedies against unfair trade practices are available;

25           c. ensures that these economies' trade practices do not adversely affect the  
26            U.S. cotton industry; and

27           d. encourages transparency in government decisions affecting raw fiber and  
28            textile markets;

1        7. Work to assure that terms of announced U.S. government programs applicable to  
2 trade are not changed during the marketing year in a manner that would be adverse to  
3 the U.S. cotton industry, and seek equitable treatment for U.S. cotton and its products  
4 under such programs;

5        8. Urge the Administration and Congress to ensure that the export competitiveness  
6 of U.S. cotton and its products is not injured by government programs that directly or  
7 indirectly through international organizations encourage foreign production of cotton or  
8 cotton products or man- made textile products, including U.S. AID projects, grant  
9 preferences to less developed countries and allow the export of U.S. agricultural or  
10 textile technology, and that such programs be continuously evaluated and monitored as  
11 to their effect on the competitiveness and production of U.S. cotton and its products;

12        9. Take steps necessary to assure full eligibility of all U.S. cotton, U.S.-  
13 manufactured cotton textile products, U.S. cottonseed, and U.S. cottonseed products for  
14 the PL-480 and GSM programs and promote and encourage the use of these program  
15 benefits for such value-added U.S. cotton textile products and cottonseed products;

16        10. Work with USDA, the Commodity Credit Corporation, the Export-Import Bank and  
17 other agencies to develop programs to assist in providing financing, credit guarantees,  
18 or other types of assurances to maximize the ability of the U.S. cotton industry to ship  
19 cotton and its products in light of the difficulty in financing export sales;

20        11. Urge Congress to withhold foreign aid appropriations to countries that are found  
21 to be violating U.S. antidumping or countervailing duty statutes or other U.S. unfair trade  
22 laws with respect to cotton and its products;

23        12. Urge USDA to deny future allocations of export assistance, including direct credit  
24 and credit guarantee programs, to countries that routinely engage in unfair trading  
25 practices detrimental to U.S. cotton and its products, unless such allocations will  
26 facilitate the long-term export market development objectives of U.S. cotton and its  
27 products;

28        13. Work to assist the U.S. cotton industry in defending against international trade  
29 actions, such as imposition of countervailing or antidumping duties, by other countries

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1 that harm the U.S. cotton industry and urge the U.S. government to vigorously defend  
2 the U.S. cotton program within the WTO in response to complaints filed by other  
3 countries;

4       14. Work to ensure that U.S. cotton and cottonseed products are not subjected to  
5 unreasonable trade restrictions imposed on agricultural biotechnology products by  
6 monitoring rules governing trade in such products and challenging laws enacted by  
7 other countries that place undue burdens on trade in genetically modified cotton and  
8 cottonseed products and that are inconsistent with Council policy on biotechnology, and  
9 urge USDA officials to ensure that any U.S. cotton shipments with detected seed  
10 content are not rejected at the port of entry but have the option of in-country fumigation;

11       15. Provide resources to the cotton industry and to the U.S. government to assist in  
12 the evaluation of trade agreements and overall trade policy, including rules-of-origin,  
13 trade flows, reports on cotton policies of other countries and analysis of cotton value-  
14 added trade policies of competing countries;

## **TRADE NEGOTIATIONS**

16       16. Monitor all international environmental negotiations that could affect the U.S.  
17 cotton industry; insist that any agreements arising from these negotiations be consistent  
18 with Council policy; and resist any proposals which would be unduly burdensome or  
19 harm the international competitiveness of the U.S. cotton industry;

20       17. Monitor all trade negotiations between the U.S. and other countries that could  
21 affect the U.S. cotton industry and insist that any agreements from those negotiations  
22 benefit the U.S. cotton industry;

23       18. Urge that the U.S. government, in carrying out international trade negotiations  
24 with individual countries or groups of countries, conduct such negotiations in close  
25 consultation with Congress and the private industry and obtain agreements that:

26           a. promise real and measurable advantages for the U.S. cotton industry by  
27 expanding trade opportunities for such products;

1                   b. are designed to obtain competitive opportunities for U.S. exports of textiles  
2                   and apparel in foreign markets substantially equivalent to the competitive  
3                   opportunities afforded imports of such products in U.S. markets;

4                   c. will not undermine the competitiveness of the U.S. cotton industry;

5                   d. provide reasonable adjustment periods for U.S. import-sensitive products;

6                   e. take into account the value of existing preferential trade arrangements to  
7                   the U.S. cotton industry to the maximum extent feasible;

8                   f. take into account the threat that currency manipulation may cause and  
9                   take effective steps to minimize that threat;

10                  g. are designed to strengthen protections for the health and safety of workers  
11                  in partner countries and adhere to internationally recognized labor standards;

12                  h. contain measures to protect the environment in partner countries;

13                  i. contain strong customs enforcement rules that include the electronic  
14                  tracking of textile components;

15                  j. deny unilateral benefits for imports of cotton and its products from  
16                  centrally-planned non-market economies and from state-owned or directed  
17                  enterprises;

18                  k. require that all countries support the necessity of contract sanctity and  
19                  agree that technical, quality, or other disputes related to sales and payment may  
20                  be resolved by recognized impartial international arbitration boards at the request  
21                  of either party in the dispute; and

22                  l. contain a strong and effective rule-of-origin for cotton and cotton textile  
23                  products that is no less restrictive than the rules of the U.S.-Mexico-Canada  
24                  Agreement (USMCA); provided, however, that cotton entering the U.S. under a  
25                  Special Import Quota would be considered U.S.-origin;

26                  19. Support international trade agreements which accord the best opportunities, by  
27                  virtue of location, trading rules or other factors, for:

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- 1                   a. supplying apparel manufacturers and other end-use manufacturing
- 2                   industries, wherever located, with U.S.-produced raw cotton, cottonseed,
- 3                   cottonseed products and U.S.-produced textiles; and
- 4                   b. oppose those which reduce such opportunities;
- 5                   20. Encourage trade negotiations with countries that are likely to lead to greater use
- 6                   of U.S. cotton and its products;

## WORLD TRADE ORGANIZATION

- 8                   21. With respect to the World Trade Organization (WTO) and all applicable
- 9                   agreements and any applicable U.S. implementing legislation, urge U.S. officials to:
  - 10                  a. work with all segments of the cotton industry to ensure that the interests of
  - 11                  U.S. cotton and its products are promoted under the WTO and treated fairly by
  - 12                  that organization;
  - 13                  b. provide adequate monitoring and enforcement procedures to ensure that
  - 14                  all countries comply with their WTO obligations applicable to cotton and its
  - 15                  products;
  - 16                  c. provide safeguards against transshipment, duty evasion, transformation
  - 17                  and other means of circumventing WTO obligations; and
  - 18                  d. maintain a strong commitment to the U.S. cotton program and U.S.
  - 19                  agriculture programs;

20                  22. With respect to textiles:

- 21                  a. insist that U.S. officials continue to seek to obtain commitments from all
- 22                  WTO members, especially developing countries, to open their markets to **U.S.**
- 23                  textiles and apparel; and **[Staff change – added for clarity]**
- 24                  b. insist that U.S. officials oppose membership in the WTO to any country
- 25                  which does not **agree to [Staff change – added for clarity]**
- 26                  provide effective and reciprocal market access for U.S. textiles and apparel;

1        23. With respect to the accession to the WTO of countries with non-market or  
2 centrally planned economies, urge that the terms of accession permit WTO members to  
3 utilize an effective, threat-based textile safeguard mechanism, and require such  
4 countries to alter significantly the structure of their economies from that of a centrally  
5 planned economy to a market-based economy and that such countries liberalize the  
6 form, methods and realities of trade within and without such country prior to their  
7 accession into the WTO such that effective market access is provided for U.S. cotton  
8 and its products;

9        24. Urge that the United States closely monitor China's compliance with the WTO  
10 accession agreement and with overall WTO rules respecting trade in cotton and its  
11 products and take appropriate and timely action should China not comply with its trade  
12 obligations;

13        25. Urge the U.S. government to ensure that countries which are not WTO members  
14 do not receive trade benefits, other than normal trade relations (NTR) tariff benefits,  
15 provided under the Uruguay Round Agreement, and otherwise protect against any  
16 adverse impact on the U.S. cotton and cotton textile sectors from such countries;

17        26. With respect to the status of developing countries that are competitive in world  
18 markets with respect to cotton and its products, ensure that provisions providing special  
19 and differential treatment to such countries under the WTO do not grant excessive  
20 waivers of obligations concerning the provision by such countries of export subsidies,  
21 domestic subsidies or improved market access;

22        27. With respect to a major round of multilateral trade negotiations, urge U.S. officials  
23 to work for an agreement that will:

24            a. provide timely, effective and reciprocal access to foreign markets for U.S.  
25 cotton and its products;

26            b. stop the erection of non-tariff trade barriers against agricultural  
27 biotechnology products;

28            c. improve disciplines applicable to the state trading of agricultural  
29 commodities;

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- 1       d. reduce and bind textile and apparel tariffs of all WTO members to levels
- 2       that are the same as or lower than those currently in the U.S.;
- 3           e. eliminate within two years non-tariff trade barriers that restrict market
- 4       opportunities for U.S. textiles;
- 5           f. establish effective rules and disciplines regarding intellectual property
- 6       rights affecting designs, patterns and copyrights for cotton and its products,
- 7       especially home furnishings, decorative fabrics and upholstery fabrics, and any
- 8       rights belonging to the U.S. Cotton Trust Protocol and Cotton Council
- 9       International;
- 10          g. improve rules restricting the use of export subsidies, including rules with
- 11       respect to downstream subsidization of agricultural products, use of export taxes
- 12       to reduce prices of processed products, content requirements for exports
- 13       exempted from export taxes and the refund of value-added taxes that unfairly
- 14       enhance the competitiveness of exported products;
- 15          h. reduce trade distorting agricultural subsidies worldwide, but preserve
- 16       important U.S. domestic and export programs (including U.S. export credit
- 17       guarantee programs) as long as necessary to compete with the treasuries of
- 18       foreign governments our competitors; **[Staff change – added for clarity]**
- 19           i. maintain current WTO provisions dealing with unfair trade practices and
- 20       not contain provisions that will require the U.S. to weaken its laws and
- 21       regulations on unfair trade practices;
- 22           j. not restrict the ability of the U.S. to enter into beneficial regional trading
- 23       arrangements;
- 24           k. improve the ability of the WTO to curtail the use of managed and/or
- 25       manipulated exchange rates that confer unfair export advantages;
- 26           l. not include cotton-specific language that is unfair or requires inequitable
- 27       and disproportionate changes in the U.S. cotton program or other U.S. policies
- 28       that affect cotton;

m. maintain the ability of the cotton and textile industries to remain competitive, and preserve the benefits of U.S. preferential trade programs and ensure such benefits are taken into consideration upon implementation of provisions to grant special duty-free treatment for least developed countries; and

n. support the inclusion of a permanent safeguard mechanism within the WTO that applies to all member countries to prevent damaging import surges of textile and apparel products:

28. With respect to textile tariff proposals to the WTO:

a. oppose any further tariff reductions in textiles by the U.S. until all other WTO countries are required to reduce and bind their textile and apparel tariffs to levels that are the same as or lower than those currently in the U.S.; and

b. work to educate members of Congress and other government policy makers of the deleterious effects that any proposal to eliminate tariffs will have on U.S. textiles:

29. Ensure that any trade agreement, subject to U.S. Trade Promotion Authority, does not include provisions that result in inequitable treatment for U.S. cotton and textiles and reflects U.S. negotiating objectives that are beneficial to U.S. cotton and products:

30. Considering the absence of import restraints and the continued role of countries such as China and Vietnam, support a sectoral negotiation with respect to textiles in the next major round of WTO negotiations in order to prevent disruptions to world trade in textiles:

31. Support continued “zero duty/zero quota” authority for raw cotton imports consistent with U.S. commitments made to Least Developed Countries (LDCs) in Hong Kong;

## REGIONAL TRADING ARRANGEMENTS

32. Work for preferential trading arrangements with countries if such arrangements will enhance the competitiveness of U.S. cotton, U.S. cottonseed and their products and

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1 contain provisions that will maximize the use of U.S. cotton and textile components and  
2 U.S. cottonseed and cottonseed products wherever possible, and oppose such  
3 arrangements that would harm the competitiveness of U.S. cotton, cotton textile and  
4 apparel **products [Staff change – added for clarity]**, cottonseed and cottonseed  
5 products, do not maximize the use of U.S. cotton and textile components and contain  
6 significant waivers of rule-of-origin requirements;

7       33. With respect to the implementation of regional trading arrangements, including  
8 free trade agreements and unilateral trade preference arrangements:

- 9           a. support increased funding for U.S. Customs and Border Protection to  
10            prevent participating countries from becoming gateways for cotton and its  
11            products from non-signatory countries to illegally enter the U.S. in the form of  
12            duty-free or quota-free value-added products;
- 13           b. urge the adoption of a system for identifying the country of origin of cotton  
14            and its products to guard against illegal transshipments;
- 15           c. urge monitoring of trade flows to ensure countries in such regional trading  
16            arrangements do not increase imports of growths of cotton from non-participating  
17            countries in order to increase exports of growths of those countries to the U.S.;
- 18           d. urge prompt enforcement of effective safeguard provisions to prevent  
19            disruption of the U.S. market by import surges or the threat thereof; and
- 20           e. urge U.S. officials to monitor and take action against activity by a  
21            participating country that will have an adverse effect on the U.S. cotton industry,  
22            including unreasonable restraints on the free flow of U.S. cotton and its products  
23            into a participating country, changes in the domestic cotton program of a  
24            participating country and paperwork requirements or delays that hamper the free  
25            flow of goods between the U.S. and the participating country;

26       34. Work to ensure that trade agreements do not contain dispute settlement  
27           provisions which grant dispute settlement panels the authority to overrule antidumping  
28           and other trade measures implemented by U.S. government agencies and U.S. courts;

1        35. Urge implementation of preferential trading arrangements (such as the  
2    Caribbean Basin Trade Partnership Act and the African Growth and Opportunity Act) in  
3    a manner that provides maximum benefits to the U.S. cotton industry and the U.S.  
4    textile industry;

5        36. Urge Congress not to modify preferential trade arrangements if such modification  
6    would be detrimental to the U.S. cotton industry or the U.S. textile industry;

7        37. Urge Congress not to support the expansion of trade preference programs  
8    providing for broadened access for textile and apparel products made from third-country  
9    inputs;

10       38. Oppose unilateral reductions of U.S. textile and apparel tariffs that are damaging  
11    to the U.S. cotton industry, particularly the U.S. cotton textile industry;

12       39. Support the continued administration of the Colombia Trade Promotion  
13    Agreement in a manner that will benefit the U.S. cotton industry;

14       40. With respect to USMCA, work to ensure that all trade in USMCA-origin cotton  
15    fiber between the U.S., Canada and Mexico is duty-free and quota-free;

16       41. With respect to the CAFTA-DR Agreement and other regional trade agreements,  
17    oppose any efforts to weaken the textile rules-of-origin;

## **IMPORTS**

19       42. Urge the Administration and the Congress to impose new restraints on imports of  
20    specific textile and apparel products from China and Vietnam which threaten to disrupt  
21    the U.S. textile industry;

22       43. Urge the U.S. government to monitor textile and apparel imports from China and  
23    Vietnam to seek the imposition of special textile safeguards when necessary to prevent  
24    market disruption or the threat of market disruption;

25       44. Support strengthening of U.S. trade laws in the areas of safeguards, subsidies  
26    and dumping; seek changes in U.S. trade laws in these areas so that domestic interests  
27    will have remedies that are more effective, faster and less costly, including the  
28    application of U.S. countervailing duty laws to non-market economy countries;

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1        45. With regard to Haiti, work with Congress to ensure that the Haitian Hemispheric  
2        Opportunity through Partnership Encouragement Act (HOPE II) offers true benefits to  
3        U.S. cotton and its products, is enforceable by U.S. Customs and Border Protection,  
4        and does not harm or devalue the important markets that have been developed in the  
5        Caribbean, Central or South America;

6        46. Urge Congress and the Administration to work with the U.S. cotton and textile  
7        industries to find ways to grant special concessions to countries for cooperating with the  
8        U.S. in resolving international conflicts to ensure that the economic cost of such  
9        concessions is not unduly borne by the U.S. cotton industry or the U.S. textile industry;

10       47. Recognizing the threat to the U.S. cotton industry by imports of textile products:

11            a. place an extremely high priority on supporting legislative proposals that  
12        show promise of alleviating the excessive growth of textile imports and urge  
13        every segment of the cotton industry to use its influence toward this end;

14            b. strengthen the integrity and enforcement of the textile import regulatory  
15        system, including closing the duty-free *de minimis* exemptions for textiles

16            c. urge the U.S. government to act promptly against any country contributing  
17        to disruption of the U.S. cotton textile market; and

18            d. support Section 204 of the Agricultural Act of 1956, as amended, to  
19        continue authority of the U.S. government to limit market disruption caused by  
20        the excessive growth of imports of textile products;

21        48. Support appropriate federal action if needed to provide reasonable restraints  
22        against imports directly competitive with cottonseed products;

23        49. Support the reform of the world trading system for textiles and apparel as  
24        embodied in the Charter of Fundamental Principles of Global Trade for Textiles and  
25        Apparel;

26        50. Continue support of tariff-rate quotas implemented as a part of the Uruguay  
27        Round Agreement, as necessary to ensure the effective operation of the U.S. cotton  
28        program;

1        51. Support the principles included in the Customs Modernization and Informed  
2        Compliance Act of 1993 and other initiatives that would achieve the aims and objectives  
3        of the Act by specifically:

4                a. supporting U.S. Customs and Border Protection's efforts to direct more  
5                resources to frontline surveillance by reducing administrative overhead and  
6                expanding Customs textile jump teams;

7                b. supporting other U.S. Customs and Border Protection efforts aimed at  
8                curbing customs fraud, in all its forms, such as duty evasion and illegal  
9                transshipment of cotton textile products, including through U.S. territories and  
10                possessions; and

11                c. ensuring U.S. Customs and Border Protection is not subject to  
12                Congressional budget cuts which would require it to give up resources which  
13                would otherwise be used to increase surveillance and enforcement;

14        52. Support full U.S. government funding through the appropriations process for the  
15        hiring and deployment of all U.S. Customs and Border Protection textile enforcement  
16        programs and personnel authorized by the Trade Act of 2002 and the Trade Facilitation  
17        and Trade Enforcement Act of 2015;

18        53. Work for the passage of legislation that would confer greater responsibility on  
19        importers and other parts of the supply chain with regard to country-of-origin  
20        declarations on textile/apparel products by:

21                a. requiring the U.S. Customs and Border Protection to seize merchandise  
22                when a false country of origin has been declared by the importer;

23                b. increasing civil penalties for violations of U.S. customs laws; and

24                c. requiring the Justice Department to expeditiously prosecute cases  
25                involving criminal violations of U.S. customs laws;

26                d. requiring U.S. Customs and Border Protection to develop clear guidance  
27                for the provision of country-of-origin documentation that establishes the  
28                Permanent Bale Identification (PBI) as sufficient and the most granular  
29                requirement for documenting U.S. origin and to request collaboration between

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1        U.S. Customs and Border Protection and USDA to streamline the country-of-  
2        origin documentation process to an agency procedure.

3        54. Support the use of the False Claims Act for the purpose of assisting the  
4        government in reclaiming lost revenues from importers making false declarations  
5        regarding country of origin, as well as violating other statutes regarding importation of  
6        cotton textile products;

7        55. Support the maintenance and improvement of current textile labeling  
8        requirements as implemented by the Federal Trade Commission, support the use of  
9        care label symbols to comply with federal labeling rules, support the Textile Fiber  
10      Products Identification Act's provisions with respect to labels showing the individual fiber  
11      content of consumer products, and ensure that attempts to harmonize textile label rules  
12      globally will not be used to weaken country of origin rules, i.e. circumventing  
13      transshipment rules, or proper content disclosure;

## **OTHER TRADE POLICY ISSUES**

15       56. Urge USDA to publish accurate cotton production costs for the U.S. and other  
16      important cotton producing countries and document all foreign subsidy practices  
17      applicable to the production, processing, manufacturing, sale and distribution of cotton  
18      and its products;

19       57. Request the Administration to appoint cotton industry representatives as advisors  
20      to U.S. negotiators and encourage a meaningful dialogue between the U.S. government  
21      and such representatives;

22       58. Emphasize to Congress and the Administration the importance of ensuring that  
23      the export interests of U.S. cotton and other agricultural commodities are well  
24      represented by USDA's Foreign Agricultural Service (FAS) and the Office of the U.S.  
25      Trade Representative, which should continue as two separate and independent lead  
26      agencies for trade policy, recognizing, however, the industrial nature of cotton products  
27      and the need for inter-agency consultation among all government agencies responsible  
28      for trade policy affecting cotton and its products;

1        59. Urge that agricultural counselors, attaches and officers assigned to the various  
2        American embassies and consulates continue to be under USDA's jurisdiction;

3        60. Urge the Congress to authorize and fund sufficient FAS personnel to implement  
4        all programs authorized in farm legislation and ensure that the U.S. cotton industry is  
5        consulted with respect to any reorganization of FAS;

6        61. Support establishing Ambassador rank for the Chief Textile Negotiator and  
7        maintaining Ambassador rank for the Chief Agriculture Negotiator, Office of the U.S.  
8        Trade Representative;

9        62. Urge the Administration and Congress to support the continuation of USDA as a  
10       cabinet level agency and urge USDA to support efforts to ensure that phytosanitary  
11       certificates issued by the Animal & Plant Health Inspection Service (APHIS) enhance  
12       the value of U.S.-produced baled cotton and fulfill applicable international agreement  
13       obligations, while minimizing industry and administrative burden;

14       63. Support continuation of the Office of Textiles and Apparel (OTEXA) and the  
15       Committee for the Implementation of Textile Agreements (CITA), work for appropriate  
16       funding of these agencies and work to ensure they retain their essential functions,  
17       including:

18                a. identification and elimination of specific barriers to textile exports;

19                b. the monitoring of trade flows and conduct of economic and trade analysis  
20                to enable the U.S. government to determine whether to impose limits on textile  
21                and apparel imports, and the overall administration and implementation of the  
22                government's textile trade program; and

23                c. implementation of safeguard mechanisms (including safeguard  
24                mechanisms developed as a part of China's WTO accession agreement);

25        64. Support the enactment of relevant Miscellaneous Tariff Bills that enhance the  
26        competitiveness of cotton and its products and the U.S. textile industry;

27        **65. Support the continuation of the World Apparel Fibre Consumption Survey**  
28        **by the Food and Agriculture Organization and the International Cotton Advisory**  
29        **Committee (ICAC) and seek avenues through which this global look at textile fiber**

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1 ~~consumption can be maintained; [Staff change – this report is no longer~~  
2 ~~published]~~

3       66. Support the current structure of activities and management of the International  
4 Cotton Advisory Committee (ICAC) and its work to develop better worldwide information  
5 on production, consumption, trade, stocks and prices of cotton and its products and  
6 urge the continued funding of the ICAC through the U.S. Department of State or other  
7 appropriate federal agencies; and

8       67. Urge the Administration and Congress to support the continuation of the foreign  
9 affairs exemption under the Administrative Procedure Act so that CITA can issue  
10 directives and decisions in a timely manner and in response to relevant market  
11 conditions.

## FARM PROGRAM AND ECONOMIC POLICY COMMITTEE

The Farm Program and Economic Policy Committee recommends for ~~2025~~ 2026

that the Council:

### FARM PROGRAM LEGISLATION

1. Vigorously support provisions of legislation establishing policies for cotton which  
authorize a market-oriented farm program, available without limitation, operated as an  
entitlement, and which promotes cotton quality, competitiveness, increased timeliness  
and efficiency of cotton flow, and allows full production and further including:

a. support of an income safety net that—

(1) maintains inclusion of cotton in farm legislation for the ARC/PLC  
programs in the form of a combination of lint and cottonseed income support  
(Seed Cotton) at an economically relevant level as determined through  
market data and production cost analysis from USDA and university extension  
programs; and

(2) complements existing crop insurance programs that addresses  
shallow revenue losses on a county-wide basis (or area-wide where  
necessary) with producer premiums offset to the maximum extent possible  
~~using available cotton program spending authority; [Staff change to reflect  
allocation of new funds in OBBBA]~~

b. an effective, market-relevant non-recourse marketing loan that maintains a  
world price formula for loan redemption purposes and relevant world price;

c. competitiveness provisions which will ~~assure~~ ensure ~~[Staff change for  
clarity]~~ world competitive prices for domestic mills and export customers for U.S.  
cotton, including:

(1) expedited access to foreign cotton in periods of short U.S. supplies;

(2) an appropriate flexible ceiling on the quantity of Special Import  
Quotas; and

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(3) a support mechanism that enhances the competitiveness of domestic manufacturers, in particular, the continuation of the Economic Adjustment Assistance Program;

d. provisions that promote orderly marketing, assist in crop financing and reflect market conditions;

e. program eligibility provisions that maximize participation;

f. provision for a recourse loan for harvested un-ginned cotton;

g. retention of some form of permanent law;

h. farm program benefits eligibility tied to actively engaged participants of a farming operation;

i. additional funding for incentive payments to producers who voluntarily implement practices that enhance environmental benefits in lieu of such practices being required for general program benefit eligibility; and

j. recognition of the impact of bio-fuel incentives and mandates in determining equity between program crops relative to farm program benefits;

Support legislative and regulatory efforts to anticipate and respond to conditions that threaten the economic viability of the production and processing infrastructure of the cotton industry;

In an effort to improve the timeliness, competitiveness and flow of cotton, support legislation that:

a. includes provisions that provide flexibility in loan redemptions and the movement of cotton including taking the necessary steps to ensure continued operation of the marketing loan during lapses in government funding;

b. continues the elimination of warehouse location differentials;

c. continues adoption of loan premiums and discounts that appropriately reflect market values;

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1                   d. includes adjustments to the current determination of loan redemption rates  
2                   and repayment provisions that appropriately capture international  
3                   competitiveness conditions and marketing and storage costs; and  
4                   e. has no payment limitations for marketing loan gains or LDPs which are  
5                   detrimental to the redemption and movement of cotton;

6                   4. Maximize the use and profitability of U.S. cotton and cotton value-added products  
7                   in domestic and export markets;

8                   5. Recognize that a farmer's benefits from all federal price support or payment  
9                   programs should not be limited based on production size and management structure  
10                  and:

11                  a. work for those farm program provisions and administrative policies which  
12                  will minimize, to the greatest extent possible, the inherent inequities of payment  
13                  limitations and provide for liberal transition rules when regulations are changed;

14                  b. oppose the application of any means test scheme to determine eligibility  
15                  for USDA farm programs; however, if enacted, work to minimize the impact of  
16                  such a provision on program benefit eligibility;

17                  c. work with Congress and USDA to ensure that payment eligibility and  
18                  limitation regulations for all conservation programs are consistent with the intent  
19                  of Congress;

20                  d. work to inform policymakers and the general public of the economic  
21                  conditions affecting farming operations, the make-up of economically-viable,  
22                  commercial-size farms, the majority of which are "family farming operations" and  
23                  the importance of regulations and legislation which do not discourage the  
24                  efficient operation of commercial-size farms;

25                  e. oppose changes in actively engaged provisions that require contributions  
26                  of both management and labor; and

27                  f. maintain the use of certificates for marketing loan redemptions;

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- 1        6. Insist that no cotton program provision in any way results in waiving the  
2    warehouser's lien;
- 3        7. Urge Congress not to undermine the long-term planning and stability of the  
4    agricultural sector provided by farm legislation by any changes used to generate year-  
5    to-year savings and budget offsets;
- 6        8. Using discretionary authority contained in farm law, the adjusted world price  
7    (AWP) should be modified in an appropriate and timely manner to whatever level  
8    considered necessary in order to allow U.S. cotton to be priced competitively to  
9    domestic and foreign customers and to administer the competitiveness provisions fairly;
- 10       9. Recommend that if a price support program for cottonseed is instituted by the  
11    Secretary of Agriculture, such program should be structured and administered in a  
12    manner that recognizes the cotton producer's production interests in cottonseed, is  
13    compatible with normal processing and marketing operations and should not be  
14    detrimental to the cottonseed industry or to producers or ginners;
- 15       10. Continue to monitor the market impact to cottonseed and its products of the  
16    excessive production of feed ingredients (Dried Distillers Grains) as a byproduct of  
17    ethanol production resulting from government-sponsored incentive programs;
- 18       11. Assure that cottonseed oil remains eligible for all government food programs  
19    here and abroad;
- 20       12. Work to strengthen industry advice and participation in the administration of the  
21    cotton loan program and management of CCC stocks, and urge USDA to administer the  
22    program with the minimum amount of regulation to encourage industry participation;
- 23       13. Urge the Secretary to consider the income of farm-support industries in  
24    administering the cotton program and urge development of programs that support  
25    industry infrastructure;
- 26       14. Request that Farm Service Agency process and publish CCC loan entry data as  
27    expeditiously as possible so the industry can utilize the data to the fullest;

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1        15. Urge USDA CCC to allow a review on bales, after bales enter the marketing loan,  
2 with appropriate procedures for adjusting the loan value to reflect the review  
3 classification;

4        16. Urge that CCC-owned upland and ELS cotton be processed as soon as forfeited  
5 and sold in an orderly manner pursuant to industry trading practices on private online  
6 trading systems, based on competitive bids with a re-class and re-weight at the option  
7 of the buyer and further urge that sales be carried out in a manner that minimizes price  
8 impacts;

9        17. Urge the Farm Service Agency and Risk Management Agency to implement  
10 provisions of crop insurance reform legislation and farm legislation that provide for the  
11 collection and maintenance of cotton yield and acreage information in computer records  
12 in order to facilitate sharing and access of information for use in administering various  
13 programs, including boll weevil eradication or other area-wide pest management  
14 programs, new farm programs, disaster assistance, farm finances or other purposes;

15        18. Urge the Administration to take appropriate measures to ensure that USDA fully  
16 complies with the intent of Congress in providing credit to assist financially distressed  
17 producers, and seek increased Farm Service Agency direct operating loan authority and  
18 seek improvements in the agency's loan guarantee and emergency loan programs;

19        19. Urge all USDA agencies to administer programs in a manner that recognizes  
20 unginned cotton as a continuation of the harvesting process;

21        20. Urge the Administration and Congress to support continuation of USDA as a  
22 cabinet level agency that adheres to the following guidelines:

23            a. ensures that adequate Farm Service Agency field offices and personnel  
24 are maintained to properly administer provisions of national farm legislation and  
25 other federal programs in an efficient and timely manner, with priority given to  
26 counties/areas with intensive program activities;

27            b. requires all members of county/area committees be elected;

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- 1                   c. provides that administration of conservation cost-share programs and
- 2                   compliance decisions relative to program eligibility be subject to final approval by
- 3                   members of elected county/area committees;
- 4                   d. facilitates paperwork reduction, enhanced technology, and program
- 5                   simplification where possible;
- 6                   e. supports adequate funding that allows field offices to maintain compatible
- 7                   computer systems and common databases;
- 8                   f. runs an independent National Appeals Division headed by a highly
- 9                   qualified individual who reports directly to the Secretary of Agriculture and which,
- 10                  at least annually, issues reports detailing cases that come before the body,
- 11                  including the number of appeals that are upheld or denied by the National
- 12                  Appeals Division and the number of appeals to the head of the National Appeals
- 13                  Division that are upheld or denied;
- 14                  g. provides adequate resources for economic, research, conservation and
- 15                  education functions;
- 16                  h. provides adequate staff and funding for international market development
- 17                  activities;
- 18                  i. serves as the lead agency in all agriculture-related policy issues,
- 19                  including, but not limited to, export promotion, trade, environment and food safety
- 20                  issues;
- 21                  j. waives all Farm Service Agency program user fees;
- 22                  k. supports continued administration of conservation, production loans and
- 23                  non-insured assistance programs, disaster programs, payment eligibility criteria,
- 24                  commodity loans and farm program benefits under the supervision of an elected
- 25                  county office committee system, as provided in current law, regardless of the
- 26                  organizational structure of and relationship between USDA's various agencies;
- 27                  l. works with USDA and IRS to clarify tax implications of payments received
- 28                  by participants from conservation programs; and

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m. urges USDA to consult the cotton industry, FSA State Committees and Executive Directors in any re-evaluation of the allocation of resources within each state to address workload requirements;

21. Urge the continuation of committees on agriculture in the House and Senate with jurisdiction for farm programs and related agricultural matters;

22. Work with other organizations to urge the U.S. government to act to ensure that the value of the dollar reflects underlying economic fundamentals and support an exchange rate component in U.S. agriculture policy that helps to:

- a. counter the adverse effects of foreign government intervention to maintain non-market determined exchange rates on the U.S. balance of trade in agricultural and textile products,

b. support farm income, and

c. maintain a processing and handling infrastructure;

23. Support regulations or legislation requiring USDA to provide on-site

15 investigations for producers upon request to ensure that true wetlands values and  
16 functions will be measured properly as a part of the farm law wetlands conservation  
17 regulations;

24. Establish a cooperative approach to protect and preserve both wetlands (which are perceived to be "public" resources, but are most often on private property) and private property rights, urge wetlands protection programs emphasizing voluntary compliance, economic incentives and preservation of private property, and specifically:

- a. recognize that wetlands have different environmental, economic and social values and merit different degrees of protection and adopt flexible national guidelines for state and local management of wetlands and related adjacent land;

b. locate, as part of a national wetlands protection program, wetlands areas in all states, with participation and input with locally affected wetlands property owners;

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1                   c. support the exclusion of "prior converted wetlands" and farmed wetlands  
2                   with significant cropping history in the definitions of "waters of the United States"  
3                   and "navigable waters;"

4                   d. support full compensation for property removed from agricultural  
5                   production or which declines in value because of wetlands protection programs;  
6                   and

7                   e. define wetlands in a reasonable manner; allow NRCS to be the single  
8                   agency to make determinations and issue all permits for wetlands alterations  
9                   affected by both federal and state rules; and support the U.S. Army Corps of  
10                  Engineers in implementing responsible regulation in consultation with the U.S.  
11                  Environmental Protection Agency;

12                25. Work to assure that economic feasibility and technical feasibility are criteria  
13                utilized by USDA in administering conservation compliance;

14                26. Support maintaining base acreage data and, if applicable, eligibility on federally  
15                owned land;

16                27. Recognizing that agronomic and economic conditions have led producers to  
17                adopt different planting patterns, ad hoc programs and ad hoc payments should achieve  
18                equitability between planting practices;

## **RISK MANAGEMENT**

19                28. Promote the development of both legislative and non-legislative programs,  
20                marketing tools and education efforts designed to help the cotton industry manage risk  
21                by:

22                   a. utilizing available resources to educate producers on risk management  
23                   alternatives currently available through the use of forward, spot and equity  
24                   contracts combined with Intercontinental Exchange (ICE) executed options that  
25                   provide protection by way of a minimum price in declining markets and the  
26                   opportunity to realize higher prices in rising markets;

1                   b. supporting improvements to the tropical storm coverage, which include  
2                   transparency of data collection, within hurricane insurance protection products to  
3                   make them a more effective risk management option for growers;

4                   c. urging improvements in the cotton federal crop insurance program,  
5                   making it a more cost-effective risk management tool by:

6                        (1) continuing revenue protection availability in the Cotton Belt and  
7                        evaluating the effectiveness of this program;

8                        (2) using a transparent method of price election determination that  
9                        reflects market expectations for future crops;

10                       (3) re-evaluating premium rate determination to account for individual  
11                        producer loss experience, new production innovations and investment and to  
12                        provide for elimination of irrelevant loss history;

13                       (4) developing a meaningful de minimus yield factor;

14                       (5) maintaining the cotton quality adjustment provision as follows:

15                                (i)       use AMS loan schedule to value quality characteristics  
16                                instead of spot-market prices;

17                                (ii)      use an appropriate moving average of AMS classing office  
18                                data to establish quality characteristics for basis of comparison;

19                                (iii)     employ a 10 percent qualification requirement with no quality  
20                                loss deductible; and

21                                (iv)      provide actuarial information (premiums) on the proposed  
22                                modifications to current crop insurance provisions;

23                        (6) supporting a prevented planting provision that allows indemnity and  
24                        the planting of another non-insured crop, flexibility in times of disaster and  
25                        coverage for cotton at levels equivalent to those of other commodities;

26                        (7) evaluating alternative methods of substituting non-actual yields in  
27                        determining actual production history (APH);

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(8) applying consistent standards for unit coverage among the cotton-producing regions of the country and consideration for allowing a unit designation of less than a whole farm if such designation is clearly distinguishable;

(9) employing more flexible guidelines in conducting pilot programs so as to adopt modifications that improve the effectiveness of the program or correct unintended results:

(10) supporting the authority for RMA to stack individual buy-up policies with group risk policies to cover shallow losses;

(11) supporting the ability of producers to independently select different coverage levels for non-irrigated and irrigated production;

(12) supporting the continuation of the option of enterprise pricing for crop insurance premiums; and

(13) supporting implementation of the APH adjustment authority as a rider policy option at reasonable ratings;

d. basing yields used in administering various aspects of area-wide crop insurance products on a review of all available production and acreage data for the county, including but not limited to data from RMA, NASS, and FSA; and any discrepancies between various USDA estimates should be resolved in a transparent manner in order to establish a consensus county yield and the case of a disputed yield, there should be a review and verification process that allows an individual or entity to offer verifiable data that challenges the USDA yield estimates;

e. supporting the current system of the private sector providing sales and service of crop insurance products approved by the FCIC;

f. urging the proper implementation of crop insurance reform legislation in order to achieve:

(1) the highest level of coverage at affordable rates;

(2) significant reductions in fraud and abuse through increased oversight by the Risk Management Agency in conjunction with the Farm Service Agency; and

(3) full implementation of an improved rating structure throughout the Cotton Belt;

(4) cotton representation on Federal Crop Insurance Corporation Board;

g. urging the accelerated development of federally assisted insurance to incentivize producer harvest or other risk management programs such as but not limited to – grants, cost-share programs, low interest loans or other related programs for cotton ginning, warehousing, merchandising, textile manufacturing and crushing operations to mitigate the risk of losses associated with reduced processing volume attributable to a significant decline in crop production;

h. supporting the optional “Cottonseed Endorsement” that provides eligible cotton producers (i.e., cotton producers who purchase a qualifying federal crop insurance policy of insurance on cotton lint) the option to purchase additional federal crop insurance that provides yield-based coverage for cottonseed;

- i. encouraging the reinstatement of group risk crop insurance products in a timely manner that are based on sound price and production data; and

j. opposing any limitation or means test to determine eligibility for crop insurance premium subsidies;

## EXTRA LONG STAPLE COTTON

29. Favor a long-range government program for extra long staple cotton that maintains a separate identity for U.S. Pima and provides adequate grower incentives and safeguards to ensure an ample supply to meet world needs:

30. Cooperate with producers, Supima and users in developing and expanding markets for extra long staple cotton:

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- 1        31. Support legislation or administrative measures to hold U.S. imports of extra long
- 2        staple cotton to a reasonable level;
- 3        32. Strongly support continued operation of the Extra Long Staple Cotton
- 4        Competitiveness Payment Program as authorized in the 2014 farm bill and seek
- 5        adjustments to the foreign price quotes utilized in the program to reflect changes in
- 6        producing and exporting countries;
- 7        33. Support an ELS marketing loan program that contains alternate repayment
- 8        provisions with the loan rate set at a level that provides meaningful cash flow for
- 9        producers and reflects relative market valuations;
- 10       34. At a future date and with approval of the Pima industry leaders, develop a
- 11       revenue insurance product that includes enterprise units through the RMA product
- 12       development process with a future goal of inclusion of Pima into an area-wide, shallow-
- 13       loss revenue program;

## **ECONOMIC ENVIRONMENT**

- 15       35. Support Congressional efforts to maintain a balanced federal budget employing
- 16       appropriate spending cuts and significant tax cuts, provided that programs affecting the
- 17       cotton industry and textile/apparel manufacturers are not asked to accept
- 18       disproportionate cuts and that Congress and the Administration apply dynamic scoring
- 19       techniques to the cost of tax cuts, thus minimizing the need for budget offsets;
- 20       36. Support a Consumer Price Index that properly reflects adjustments for measuring
- 21       inflation;

## **EMPLOYMENT AND WAGES**

- 23       37. Urge that all present and future labor laws embody principles and be
- 24       administered in a manner which will:
  - 25       a. protect the general rights and legitimate interests of labor, management
  - 26       and the public; and
  - 27       b. maintain the historic overtime exemptions of agriculture and agricultural
  - 28       processing;

1           c. maintain freedom of communication between agricultural employers and  
2           employees;

3           38. Support holding the national minimum wage at levels which avoid increased  
4           unemployment and unsustainable cost increases for the industry;

5           39. Work to keep full control of workers' unemployment and compensation programs  
6           in the states, especially standards for benefits, coverage and administration, so these  
7           programs may best fit local needs and be handled efficiently;

8           40. Support employment of a domestic workforce; support comprehensive  
9           immigration reform and strongly oppose any changes to national immigration policies  
10          that result in excessive costs or agricultural labor shortages; support a workable guest  
11          worker program that includes seasonal and year-round workers, provides an equitable  
12          wage rate that does not include an annual cap on the number of guest workers and  
13          provides an expedited procedure for undocumented agricultural workers to earn legal  
14          status; support other management/labor programs which promote efficiency; and  
15          support immigration policy being developed and implemented on a national level and  
16          not on a state-by-state basis. We support managing health safety through reasonable  
17          health standards to maintain visa eligibility for countries dealing with health-related  
18          issues;

19          41. Urge that health care laws embody principles and be administered in a manner  
20          that will:

21           a. provide for responsible and equitable health care at a more reasonable  
22           cost;

23           b. allow employers the option to choose whether health care insurance  
24           coverage is provided for their employees; and

25           c. exempt employers from any requirement to provide health care insurance  
26           to temporary and part-time employees;

27          42. In developing proposals to encourage employers to invest in training and other  
28          human resource programs, urge the use of voluntary incentive methods rather than  
29          mandatory requirements;

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- 1        43. Support the continued tradition of family farming by:
  - 2            a. supporting existing Fair Labor Standards Act (FLSA) provisions which
  - 3            allow for young people of the proper age to perform agriculture jobs;
  - 4            b. supporting the continued exemptions and the U.S. Department of Labor
  - 5            interpretation for family members in a closely held corporation, partnership or
  - 6            sole proprietorship from provisions in the FLSA, Migrant and Seasonal
  - 7            Agricultural Worker Protection Act, unemployment compensation laws and
  - 8            Occupational Safety and Health Administration Act; and
  - 9            c. opposing the expansion of the Agricultural Hazardous Occupation Orders
  - 10          by the U.S. Department of Labor;

## **WAGE AND PRICE CONTROLS**

- 12        44. Work for continued freedom from wage, price and profit controls by government
- 13          to avoid interfering with production and creating shortages;

## **ENERGY**

- 15        45. If a national energy program is implemented, such a program should provide
- 16          sufficient energy supplies to assure full agricultural production and maximum operation
- 17          by the industries which process and export agricultural products;
- 18        46. Oppose any restrictions on energy prices except in actual emergencies;
- 19        47. Support the objective of the efforts to improve the U.S. textile industry's
- 20          international competitiveness through improved domestic energy efficiency;
- 21        48. Support the use of cotton products in any biofuels energy program;
- 22        49. Urge Congress and the Administration to implement a national energy policy
- 23          which addresses the rising energy cost in producing and processing agricultural
- 24          products;

## **FEDERAL TAX LAWS**

2        50. Work for further adjustment in federal tax laws which will substantially reduce or  
3 ultimately eliminate estate taxes; oppose any efforts to remove step-up in basis  
4 provisions or reduce the estate and gift tax valuation discounts currently allowed; and  
5 support other estate tax planning tools such as grantor trusts.

6        51. Support enactment of legislation that creates Agricultural Research  
7        Organizations (AROs) in the federal tax code in order to attain tax free status for  
8        charitable contributions to agricultural research entities;

9        52. Support fiscally sound Social Security, Medicaid and Medicare programs;  
10      however, favor adoption of remedies other than increased rates when programs are  
11      modified to remain financially sound:

12        53. Support a corporate tax structure which encourages economic expansion and job  
13 creation and eliminates double taxation of corporate dividends and oppose any increase  
14 beyond graduated rates currently in effect;

15 54. Support a decrease in the federal tax on gasoline and diesel fuel;

16        55. Support a permanent non-incremental investment tax credit without a minimum  
17        qualifying level to encourage investment and job creation in the U.S., as well as other  
18        reforms that will enhance the global competitiveness of U.S. cotton, cottonseed  
19        products, textiles and apparel;

## 20 56. Support a lower capital gains tax;

21        57. Urge that all considerations for "green" taxes to achieve social goals be  
22        developed in such a manner as to assure global competitiveness for U.S. cotton and not  
23        result in unintended economic consequences;

24 58. Support the continuation of income averaging and implementation of such in a  
25 manner that does not trigger the alternative minimum tax;

26 59. Support the reduction and eventual elimination of the alternative minimum tax;

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- 1        60. Support the creation of a tax deferred savings account as a risk management
- 2        tool that can be accessed when income for farmers, ranchers and other agricultural
- 3        businesses; is below average;
- 4        61. Support provisions to allow self-employed taxpayers to deduct the full cost of
- 5        health, dental, disability and long-term care insurance premiums;
- 6        62. Support exempting any portion of a self-employed person's income that is
- 7        attributable to a return on investment, including CRP payments, from self-employment
- 8        taxes;
- 9        63. Support exempting rental income from land rented to a farm corporation or
- 10      partnership from self-employment taxes;
- 11      64. Support tax deductibility for permanent conservation practices for landowners
- 12      who cash rent their land;
- 13      65. Support efforts to allow more rapid recovery of the costs of machinery, equipment
- 14      and buildings and to further simplify tax depreciation procedures in order to enhance the
- 15      competitiveness of the U.S. cotton industry;
- 16      66. Support legislation and administrative actions that will aid the recovery of and
- 17      stimulate job creation by the U.S. cotton and cotton textile and apparel industries;
- 18      67. Urge Congressional codification of the Federal Court decision which ruled that
- 19      the federal excise tax does not apply to cotton module truck beds;
- 20      68. Support the repeal of requirements that federal, state, and local governments
- 21      withhold any portion of farm program benefits;
- 22      69. Support continued eligibility for farm program benefits on property obtained in
- 23      section 1031 land exchanges;
- 24      **(NEW) Support a tax credit that will encourage the sale of products containing**
- 25      **U.S. cotton (in any form), and ensure that such tax credit:**
- 26      **a. Offers the highest benefit to entities selling U.S. cotton products that have**
- 27      **been fully processed in the United States or in a country with which the United**
- 28      **States has a free trade agreement or preferential trade arrangement; and**

1       b. Only provides benefits to entities able to document the sourcing of a  
2       cotton product through a trustworthy and industry-supported supply chain  
3       tracing system; [Staff change reflecting support for the Buying American  
4       Cotton Act (BACA)]

## 5                   REGULATORY REFORM

6       70. Urge Congress to increase its control over federal regulatory agencies through  
7       legislation which would:

- 8           a. impose sunset provisions on existing programs;
- 9           b. shift the legal burden of proof for validity of regulations to the issuing  
10       agency and require the agency to demonstrate that such rules carry out the  
11       intent of Congress;
- 12       c. ban the practice of using federal funds to pay public witnesses for their  
13       participation in rule-making proceedings; and
- 14       d. continue to support cost/benefit analyses of proposed regulations;

15       71. Work to ensure that administrative regulatory reform includes scrutiny of  
16       regulations affecting the U.S. cotton industry;

## 17                   LIABILITY REFORM

18       72. Recognize the importance of tort reform legislation and join with other groups in  
19       an effort to make the American legal system more efficient and equitable for all parties  
20       seeking resolution of disputes regarding product liability and related liability matters;

## 21                   COTTON GINNING CLASSIFICATION

22       73. Urge continuation of the classification of cotton ginning as an agricultural service  
23       for regulatory purposes in any national or international industrial classification  
24       determination, preserve and defend the current link between harvesting of cotton and  
25       cotton ginning as a continuation of the harvest process and maintain the current  
26       agriculture definition of cotton ginning;

## COTTON AND COTTON PRODUCT STATISTICS

74. In regard to cotton and cotton product statistics:

- a. work with USDA's National Agricultural Statistics Service (NASS) to:
  - (1) improve estimates of the U.S. cotton crop since market prices are extremely sensitive to changes in these estimates and urge that prices collected for purposes of determining the national average price received by farmers be based on net selling prices after adjusting for charges accruing to producers' accounts (including receiving, storage to date, compression, breakout and loading, stenciling and surcharge when applicable);
  - (2) encourage increased interaction with USDA-NASS to insure consistent, timely and accurate reporting; and
  - (3) ensure the accuracy of state and county cotton production data used in state and county-based farm program and crop insurance provisions and further urge cotton gins to accurately report production by county in NASS surveys;
- b. work to continue the collection and availability of USDA statistics for cotton lint, cottonseed, cotton ginnings, cotton ginning charges, harvesting practices and selected marketing costs;
- c. urge the Congress to appropriate the necessary funds to relevant government agencies for the publication of reports related to cotton and textiles;
- d. urge that USDA conduct cost of production surveys based on interviews with a representative sample of individual growers as frequently as possible, and publish and expeditiously disseminate this information;
- e. maintain the broadest possible system of reporting accurate price information on the relative market values of cotton produced or traded in a market by urging AMS to explore additional sources of price data (including forward sales by merchants to domestic and foreign mills) and urge AMS to use

1       its authority to require the reporting of price data to assure accurate spot price  
2       quotations;

3           f. identify as nominal quotes published prices which are not based on actual  
4       trades;

5           g. weight by volume of actual bales traded quotations which are used to  
6       determine loan premiums and discounts in order to determine seasonal  
7       averages;

8           h. urge that legal immunity be continued to those persons appointed by the  
9       Secretary of Agriculture to Spot Quotation committees or those furnishing  
10      information to USDA to assure full participation by all segments since the  
11      accuracy of spot market price quotation reporting is critical to the administration  
12      of the price support loan and the operation of the cotton futures contract; and

13           i. urge USDA to develop stronger liability protection, confidentiality  
14      agreements, and procedures concerning the public dissemination of spot  
15      quotations to protect the submitting entities and encourage more robust  
16      participation in this critical process;

## **FUTURES MARKET**

18       75. Oppose regulation of forward crop contracting by the Commodity Futures Trading  
19      Commission (CFTC);

20       76. Support continuation of the CFTC as an independent agency and oppose the  
21      implementation of transaction taxes to support the CFTC;

22       77. Urge Congress and the Administration to ensure that any amendments to the  
23      Commodity Exchange Act balance the need of the futures industry to be cost-effective,  
24      competitive and to develop new, reliable products with the need for reasonable  
25      regulation which preserves the vitality and confidence of price discovery and hedging  
26      functions; and urge Congress to preserve CFTC's authority to establish reasonable  
27      audit trail requirements and establish speculative limits;

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1        78. Recommend to AMS/USDA that the certification review classification become the  
2 class of record for those bales submitted for certification that are tenderable and those  
3 bales that are not tenderable retain the then current class of record;

4        79. Urge a mechanism be provided whereby producer input can be offered regarding  
5 any proposed future changes to the #2 cotton contract on the ICE;

6        80. To restore the integrity and improve transparency of the designated agricultural  
7 markets and the energy contract markets authorized by the Commodity Exchange Act  
8 and to assure that such markets function properly by providing price discovery and  
9 hedging thereby allowing producers and manufacturers to lock in prices and merchants  
10 and cooperatives to offer forward prices to producers and manufacturers, support  
11 legislation and subsequent implementation by the Commodity Futures Trading  
12 Commission that will:

13            a. prevent excessive speculation by establishing position limits that provide  
14 liquidity but are not so great to hinder convergence, risk management, and price  
15 discovery;

16            b. establish a comprehensive definition of bona fide hedging that will limit  
17 hedge exemptions and limit eligibility for hedge margin level to those actually  
18 involved in the physical handling of the agricultural commodity (cotton);

19            c. disaggregate index funds and publish the number of positions and total  
20 value of index funds and other passive, long-only and short-only investors, and  
21 data on speculative positions relative to their bona fide physical hedges;

22            d. establish reporting requirements for index traders and swap dealers in  
23 designated contract markets (exchanges), derivative transaction execution  
24 facilities and all other trading areas;

25            e. subject all contract and over-the-counter market participants to speculative  
26 position limits;

27            f. require the ICE and its clearing members to adhere to the practice of  
28 margining futures to futures settlements and options to option settlements; and

1                   g. In the context of finalized rulemaking concerning position limits for  
2 derivatives, urge the CFTC and ICE to study the impact on price discovery and  
3 volatility by seeking guidance from the ICE Cotton Committee, prior to any  
4 additional increases above current levels in speculative position limits in the spot  
5 month limit, single-month limit, or all-months limit;

## **FARM BARGAINING**

7                   81. Support exclusion of cotton and cottonseed and their products from any farm  
8 bargaining legislation that may be introduced and favor the continued freedom of buyers  
9 and sellers of those products to bargain and negotiate price, terms of sale, and other  
10 issues governing the conduct of individual business transactions without harmful and  
11 counterproductive state or federal laws and/or regulations that may unduly restrict any  
12 aspect of legitimate business relationships.

## **WATER LAW**

14                  82. Work for proper Corps of Engineers exemptions and an appropriate reclamation  
15 law that will promote and protect private enterprise;

16                  83. Recognizing the potential adverse impact on farm income, international  
17 competitiveness, farm program effectiveness, environmental preservation and  
18 consumer prices, urge active involvement in the development of legislation and  
19 regulations affecting current and future federal water projects by promoting the following  
20 concepts:

21                   a. to the extent practicable, eligibility for federal water should not be limited  
22 by farm size, organizational structure, management systems, farm program  
23 participation or cropping patterns;

24                   b. procedures for establishing the price of water delivered to farms should  
25 take into account the full cost of producing cotton in the area served by the  
26 project to result in an economically feasible price;

27                   c. there should be no legislation or regulations that deny access to federal  
28 water; and

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1                   d. cotton is an important segment of our national defense, a basic necessity  
2                   of life and a high-value crop which makes a significant economic contribution  
3                   through the creation of jobs in production, merchandising and processing and, as  
4                   such, merits a high priority in allocation of limited water supplies;

5                   84. Oppose any federal domination or preemption of state water resource distribution  
6                   formulas;

7                   85. Oppose federal intervention and controls in ground water matters and urge state  
8                   laws to strive for protection, development and administration of ground water that will  
9                   protect the rights of overlying landowners;

10                  86. Recommend development of water storage/flood control facilities to reduce the  
11                  negative economic impact of drought and flooding and provide an environmentally clean  
12                  source of electric energy;

13                  87. Urge the U.S. State Department to ensure Mexico's compliance with the 1944  
14                  Water Treaty, which provide for the delivery of water currently owed to the U.S. and for  
15                  future water allocations as per the treaty;

## **LAND USE PLANNING**

17                  88. Support the concept that land use and water use planning and control can best  
18                  be accomplished, with appropriate inputs from landowners, by levels of local  
19                  government closest to the area under consideration, free of federal and state legislative  
20                  directives;

## **GOVERNMENT PROCUREMENT PRACTICES**

22                  89. Continue to support, as written, the Berry Buy America law and regulations which  
23                  require the purchase of U.S.-made textile products, if available, in Defense Department  
24                  procurement; and support the Kissell amendment which extends similar requirements  
25                  for the Department of Homeland Security procurement practices;

## INDUSTRY CONSOLIDATION

2        90. Urge that the Council work to ensure that normal commercial sales of cotton,  
3 cottonseed and their products are not adversely affected by legislation that would:

4            a. increase regulation of agricultural sales transactions or the sale or  
5            acquisition of entities involved in the production, processing or manufacturing of  
6            cotton, cottonseed or their products, or

7            b. impede the efficient growth of the cotton industry through the  
8            indiscriminate expansion of current, effective anti-trust laws;

## FOOD PRODUCT LABELING

10        91. In the interest of uniformity, support the jurisdiction of the federal government in  
11 the labeling of food products, support labeling that does not discriminate against  
12 cottonseed oil and oppose state initiatives not consistent with national policy and that  
13 impose an economic burden on food manufacturers; and

# PRECISION AGRICULTURE DATA SECURITY

15 92. Support development of principles, policies, and practices for agriculture  
16 technology providers that protect producers' rights and interests with regard to the  
17 ownership, use, protection, and transfer of farm data generated using precision  
18 agriculture and other technologies.

## SUSTAINABILITY

20       **93. Supports the enhancement of producer income through the U.S. Cotton Trust**  
21       Protocol, the U.S. Climate Smart Cotton Program and other sustainability initiatives to  
22       encourage future progress. **[Staff change to reflect that the Climate Smart program**  
23       **has been renamed.]**