

NATIONAL COTTON COUNCIL

2026

RECOMMENDATIONS



Revision Two – February 16, 2025

**TENTATIVE
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COUNCIL'S MISSION AND UNDERLYING PRINCIPLES

The Council's mission for 2025 shall be to work to ensure the ability of U.S. cotton producers, ginnerers, cottonseed processors and merchandisers, merchants, warehousemen, cooperatives and textile manufacturers to compete effectively and profitably in the raw cotton, oilseed and value-added markets at home and abroad. The following resolutions set forth certain principles considered to be self-evident in this mission:

FREE ENTERPRISE, PRIVATE INITIATIVE AND TAXES

1. Recognize that the American free enterprise system, private initiative and individual freedom are essential to a prosperous cotton industry;

2. Work to preserve the basic American right of private property;

3. Affirm the basic right of individuals, partnerships or corporations to own, lease or otherwise manage land and other property without limit (including program benefits) or residency requirements;

4. Favor a philosophy and programs which allow U.S. farm operators to determine the size and type of farming operations they consider most desirable; insist that all government programs and tax laws be fair and equitable to all enterprises or forms of business organizations, regardless of their type and size; and urge administration in a manner that will permit the operation of U.S. farms and businesses in accordance with the principles of free enterprise;

5. Recognizing that the viability of the entire cotton industry from farm to mill depends upon free trading in cotton futures, support the continued free and efficient functioning of cotton and other commodity exchanges;

6. Support tax laws that permit farmers and family farm corporations to use accounting methods that provide maximum flexibility to compensate for extreme variations in farm income;

COMMUNICATION WITH GOVERNMENT

7. Work for maintenance of laws that protect the right and feasibility of individuals and organizations to communicate freely with government and, in carrying out that mission –

a. oppose measures which ban or restrict the use of political action committees and support the restoration of the deductibility of lobbying expenses which was repealed in the 1993 Omnibus Budget Reconciliation Act (referred to as the “proxy tax”); and

b. oppose unwarranted restrictions on federally registered lobbyists, including restrictions on their ability to represent their clients on Federal Advisory Committees;

8. Urge the Secretary of Agriculture and other government officials to work with all segments of the cotton industry in the administration of cotton matters and especially whenever any change in policy or practice is contemplated;

ENERGY AND THE ENVIRONMENT

9. Support a comprehensive national energy program to achieve self-sufficiency through research, conservation, increased use of more abundant resources and incentives for increased production and more efficient utilization;

10. Urge that environmental regulations be reasonable, practical and consistent with the nation's need to develop and conserve all energy resources;

FARM POLICY

11. Welcome farm policy proposals of every farmer-member group at any time, and maintain a policy for communication and liaison with all cotton industry segments and groups having similar interests;

12. Favor a long-range government cotton program which will protect net farm income, encourage domestic and export sales of cotton, cottonseed and their products,

1 and assure the availability of adequate supplies and qualities at competitive prices for
2 domestic and export customers;

3 13. Strongly oppose legislative or administrative efforts to establish a reserve
4 program for cotton;

5 14. Insist that any or all of the administrative provisions of current farm law and other
6 laws be implemented to enable producers to earn a profit from the marketplace;

7 15. Support efforts to strengthen the private lenders, the traditional banks, the Farm
8 Credit System, the Farmers Home Administration, the Small Business Administration
9 and other lenders to agriculture and agribusiness to ensure that the credit needs of the
10 cotton industry are adequately funded at reasonable interest rates;

11 **GENERAL REGULATORY POLICY**

12 16. Support:

13 a. development of reasonable technologically and economically feasible and
14 cost-effective regulations where need has been shown based on sound scientific
15 evidence, including risk assessment and risk ranking;

16 b. improvement in the regulatory process;

17 c. restricting Congress from imposing requirements on state and local
18 governments without providing adequate federal funds to implement the
19 mandate; and

20 d. compensation for property owners for any agency action that diminishes
21 the fair market value of the affected property by more than 10% or \$10,000,
22 whichever is less;

23 17. Work with standards organizations and others to develop technically sound and
24 economically feasible test procedures or performance specifications which treat cotton
25 products fairly and oppose advancement of international standards from other countries
26 that pose non-tariff barriers for U.S. cotton products;

Mission & Principles

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1 18. Support legislation and other measures to facilitate the development and use of
2 environmentally sound, essential agricultural chemicals and alternative crop protection
3 technologies;

MARKET EXPANSION

5 19. Work to expand domestic and export markets for cotton, cotton textiles and
6 apparel, cottonseed and products thereof and to increase the U.S. share of these
7 markets;

RESEARCH AND EDUCATION

9 20. Support vigorously the development of public and private research and
10 educational programs that focus on the success of all segments of the U.S. cotton
11 industry;

TRADE POLICY

13 21. Support a national trade policy that encourages a high level of multilateral trade
14 based on equity and fairness by all countries through maximum use of normal private
15 enterprise trade channels and minimizing government-to-government trade agreements;

16 22. Urge that the government, in administering all agricultural programs, place the
17 welfare of U.S. agriculture and agribusiness ahead of the agriculture and agribusiness
18 interests of other nations; and

SANCTITY OF CONTRACTS

20 23. Recognize the importance of the principle of sanctity of contracts in the U.S. and
21 international trade of cotton, cotton products, cottonseed and cottonseed products and
22 promote and encourage compliance with contractual obligations and adherence to
23 arbitration awards; and urge all U.S. government agencies, embassies and consulates
24 to continue assisting in efforts to settle satisfactorily contract defaults and letter-of-credit
25 problems arising from forward sales of these products.

NATIONAL COTTON COUNCIL

2026

PUBLIC RELATIONS AND INTERNATIONAL MARKET DEVELOPMENT COMMITTEE

Carlo Bocardo (Cooperative) Bakersfield, CA - Chairman
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Harvey Ellis Fisher (Manufacturer) Inman, SC
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**PUBLIC RELATIONS AND INTERNATIONAL MARKET
DEVELOPMENT COMMITTEE**

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

MARKET DEVELOPMENT

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

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

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

a. authorizing no less than \$200 million annually in Market Access Program
(MAP) funds, and no less than \$34.5 million annually in funding for the Foreign
Market Development (FMD) Program, no less than \$8 million annually to fund the
Emerging Markets Program (EMP) and no less than \$300 million annually to fund
the Regional Agricultural Promotion Program (RAPP), **and ability to utilize for
the America First Trade Promotion Program (AFTPP), [Staff
recommendation]** so long as these programs are used to promote the sale of
U.S. agricultural commodities and their products, including U.S. cotton fiber,
manufactured cotton products and cottonseed and its products; and

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

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1 c. administering these programs cooperatively through private trade
2 associations; and

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 **(New) Work with Cotton Council International to use export promotion funds in**
12 **appropriate destination markets to conduct educational forums, where cotton**
13 **industry representatives engage with banking industry stakeholders, both at**
14 **origination and destination, develop standard operation procedures to build**
15 **efficiency in execution, including the consideration of standardized terms for**
16 **letters of credit; [ACSA recommendation]**

17 5. Cooperate with other industry organizations, guided by the Cotton Board
18 International Steering Committee's report of December 4, 1981, as amended, defining
19 the role of CCI and Cotton Incorporated;

20 6. Urge USDA and all segments of the cotton industry to expedite studies on
21 vegetable oilseeds in significant producing and consuming countries to determine the
22 competitive position of and potential market for U.S. cottonseed oil and other
23 cottonseed products;

24 7. Encourage USDA and all industry segments to work toward the acceptance,
25 domestically and internationally, of all new varieties developed through
26 biotechnology/genetic engineering;

27 8. Participate in the development of national and international voluntary, consensus-
28 based industry standards for fiber, textiles and apparel to facilitate global market access
29 to U.S. cotton and U.S. cotton textile products and prevent barriers to trade;

1 9. Urge the National Cotton Council, Cotton Council International, Cotton
2 Incorporated and other industry organizations to promote the design and use of the
3 COTTON USA registered trademark (logo) for cotton bales that visually distinguishes
4 U.S. grown and ginned cotton from other cotton growths in domestic and foreign
5 markets;

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

13 **INSURANCE AND CREDIT**

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

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

21 13. Urge Congress and the Administration to work to protect and enhance effective
22 export credit and credit guarantee programs, such as the GSM 102 export credit
23 guarantee program and the Supplier Credit Guarantee Program, to make U.S. cotton
24 fiber, manufactured cotton products, and cottonseed and its products more competitive
25 in export markets, and urge USDA, the Administration and Congress to continue
26 recognizing the importance of credit to the export of U.S. raw and value-added cotton,
27 cottonseed and their products, emphasizing that credit or credit insurance programs are
28 effective only if available on a steady, predictable basis regardless of economic
29 circumstances; establish USDA supplier credit guarantee program-type export

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1 insurance limits per buyer rather than per shipment; and further urge USDA to utilize
2 funds to the maximum degree possible when foreign customers request credit, except
3 where such request is for concessionary direct credit and such customers engage in
4 unfair trade practices which injure U.S. cotton and its products;

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

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

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

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

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

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

27 20. Urge USDA to deny benefits of the Commodity Credit Corporation's (CCC) export
28 credit sales and export assurance programs to any foreign mill or purchasing entity that
29 abrogates legitimate contracts for U.S. cotton, and/or has failed to honor a final award

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issued by the arbitral body specified in the contract, and furthermore, urge NCC staff, in conjunction with ACSA/AMCOT, to inform CCC on an ongoing basis of the names of such entities;

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

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

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

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

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

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

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

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d. ensure that IMF assistance is provided only to a country's centralized banking system and not to industries in such countries in such a manner as to accelerate exports to the United States (specifically cotton fiber, manufactured cotton products, and cottonseed and its products);

FORWARD CONTRACTING AND EXPORT SALES

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

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

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

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

d. the Office of the U.S. Trade Representative (USTR) to keep U.S. negotiators apprised of countries (and buyers) where default situations have occurred and local enforcement of arbitration awards has not been effective; further, encourage the development of a USTR maintained list of defaulters with unfulfilled obligations; and request that importing countries monitor their textile mills regarding organized defaults; and that the NCC support and assist any and all efforts by ACSA and AMCOT to work with USTR, the State Department, USDA and, if necessary, Congress in seeking their assistance in dealing with the

escalating problem of defaults on U.S. cotton contracts in many of our important international markets; and

e. the appropriate U.S. Government agencies to assist the U.S. cotton industry in establishing equitable rules for the trade of U.S. cotton with China and other emerging markets, the resolution of any disputes through fair and unbiased arbitration systems, and the recognition and enforcement of arbitration awards;

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

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

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

TRANSPORTATION AND LABOR

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

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

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

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

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c. mitigating the occurrences of export shipment “splits and rolls” and the associated derivative documentation and logistical malfunctions;

31. To ensure U.S. agricultural products remain viable in global markets and thereby improve global food and fiber security, urge Congress to pass legislation that provides reasonable service for U.S. agricultural products throughout the entire supply chain, giving specific consideration to the unique needs of containerized shipments like cotton. Further, we urge Congress to provide additional clarity concerning jurisdiction to regulate supply chain participants to ensure fair export opportunities for U.S. cotton.

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

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

TAXES

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

PUBLIC ATTITUDES

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

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

37. Continue to increase awareness in both trade and consumer news media of U.S. cotton’s environmental preservation efforts, including the U.S. Cotton Trust Protocol,

Cotton LEADS, **[Staff recommendation]** the Field to Market Fieldprint Calculator metrics and other sustainability initiatives;

(New) Address the decline in demand for cotton brought on by competition from manmade fibers, work with Cotton Board, Cotton Incorporated, Supima, and other relevant organizations to raise awareness of the positive attributes of cotton including health and environmental benefits compared to synthetic fiber and further engage consumers; [ACSA recommendation]

38. Continue to seek greater utilization of industry leaders who have received communications training through Cotton Foundation programs for issues communications with lawmakers, government agencies, news media and the general public;

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

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

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

INFORMATION SERVICES

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

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43. Keep all industry segments informed of Council activities relating to government affairs; cooperative industry-government programs, including the National Boll Weevil Eradication Program; best available current technology and research; and education 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** [*Staff recommendation*] 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;

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

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

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

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

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

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

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

PROMOTION SERVICES

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

50. Acknowledge that existing private sector business entities, trade associations, educational institutions and individual governments and international organizations that are involved in cotton research, promotion and advancement provide the cotton industry with effective tools to increase world consumption of cotton, cottonseed and their products;

PUBLIC RELATIONS SUPPORT FOR INTEREST ORGANIZATIONS

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

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

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

NATIONAL COTTON COUNCIL

2026

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Paul Ollerton (Producer) Casa Grande, AZ
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Ralph Sandeford (Producer) Midville, GA
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Joshua Franklin Warren (Ginner) Everetts, NC
James L. Webb (Cooperative) Leary, GA
Dale Whitaker (Warehouser) Paducah, TX

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

VARIETY, GENETICS AND QUALITY IMPROVEMENT

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

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

10. Support, participate in and develop education and research programs that will improve yield, quality, efficiency and profit and also preserve seed and lint quality during harvesting, ginning, handling, storage and mill processing; continue the Cotton Industry Cottonseed Quality Committee and communicate to seed breeders its recommendations on fiber and seed yield and quality parameters which affect the 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; and

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

14. Regarding bale moisture:

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

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

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

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

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

LINT CONTAMINATION

15. Seek to eliminate lint contaminants by:

a. encouraging picker doffer and moistener pad manufacturers and 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; and

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; and

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 and

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

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

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

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

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

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

27 j. due to the negative impact of plastic contamination of U.S. cotton in the
28 global and domestic market, urge USDA-AMS to retain designation on any U.S.

bale with a 71 or 72 remark, either during the initial classification or upon reclassification; and

k. Educate the industry on the importance of adopting and using round module wrap material that meets the ~~ASABE (615.2) Cotton Module Cover Standard~~. **ASABE S615.3 Cotton Module Cover Material Performance Standard. [NCGA recommendation]**

(New) Round module wrap that is undergoing testing to pass the ASABE S615.3 Cotton Module Cover Material Performance Standard must have field testing performed in the United States and must be available for review during the testing period. [NCGA recommendation]

l. Explore the inclusion of the ~~ASABE S615.2 Round Module Wrap Standard~~ **ASABE S615.3 Cotton Module Cover Material Performance Standard [NCGA recommendation]** as an eligibility requirement for the non-recourse cotton loan.

16. Urge Cotton Incorporated, and state and regional producer/ginner organizations to continue to work with the Council to update and reinforce educational programs relating to seed cotton module building, covering and cover selection, while working with the manufacturers of module coverings and the Technical Standards Committee of the American Society of Agricultural and Biological Engineers to establish guidelines for standards of performance commensurate with the needs of producers, ginner, and textile manufacturers;

17. Urge harvesting equipment manufacturers to consult with the National Cotton Ginners' Association when developing, or modifying, onboard moduling systems to ensure compatibility with current seed cotton transporting, opening and ginning systems;

COTTON CLASSING AND UNIVERSAL STANDARDS

18. Work with Congress and USDA to secure the necessary funding to accelerate the automation of all USDA-AMS Classing Offices and develop a program that will assist in hiring and maintaining classing office employees; work to develop practical means that will facilitate and improve the collection of samples and the dissemination of

classing data to the gin; continue to review USDA classing programs to evaluate their effectiveness, accuracy and service; make fiber quality data available to producers in a user-friendly format at no additional cost and make recommendations for improvement;

19. ~~Urge adoption of~~ **Support [ACSA recommendation]** module averaging **with a maximum module size of 20 bales [Staff recommendation]** as the only classing method; work with Cotton Incorporated and USDA-AMS to make continual improvements to module averaging classing; support efforts to improve the USDA cotton classification system through instruments proven to be reliable and feasible through comprehensive testing and to enhance cotton flow; urge all segments of the cotton industry to work for a reliable instrument-based classing system so that USDA classing measurements are used throughout the entire cotton marketing chain;

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

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

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

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

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

21. Continue the Quality Task Force to ensure that better quality and quality measurement continues to be a competitive advantage for U.S. cotton; have the Quality Task Force meet as needed, with adequate advance notice to participants and certified interest groups; and ensure that the Quality Task Force evaluates and recommends improvements in fiber quality measurement, fiber quality preservation, loan premiums

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1 and discounts, sticky cotton, preparation and general fiber quality issues, with the
2 central focus on the efficient use and performance of cotton in the textile mill;

3 **(NEW) Establish an ELS Subcommittee to investigate defining ELS in**
4 **more detail; [Staff recommendation] Establish an ELS Subcommittee with**
5 **appropriate industry representation to address, as needed, issues related**
6 **to ELS cotton; [ACSA recommendation]**

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

8 a. continue the official Universal Standards Advisory Committee to approve
9 by three-fourths majority secret ballot the official standards boxes and any
10 proposed changes previously advised by USDA; publish a record of the votes of
11 each group and the committee's final decision; and maintain committee
12 membership as follows: two producers and one ginner from each of four U.S.
13 regions (twelve), four U.S. merchants and two cooperatives (six), six U.S. textile
14 manufacturers selected at-large, not more than six voting members selected at
15 each meeting from delegates (two each) of associations with active arbitration
16 boards whose rules are used to govern U.S. cotton export sales and which sign
17 agreements to accept and utilize the Universal Standards, not more than six
18 voting members selected at each meeting from delegates (two each) of foreign
19 spinner associations that annually can be expected to import a substantial
20 amount of U.S. cotton, and observers without voting privileges;

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

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

25 **BIOTECHNOLOGY AND GENOMICS**

26 23. Urge USDA and the Department of Energy, in cooperation with state universities
27 and private industry, to continue biotechnology and genomics research at a high level
28 for cotton, including development of molecular genetic maps for cotton and its close
29 relatives; urge commercial cotton breeders, USDA, state universities and other

1 agencies to expedite testing and release of new germplasm, improved through
2 biotechnology and genomic studies; continue to work through the Environmental Task
3 Force and other appropriate Council committees with seed and biotechnology
4 companies and other groups to help evaluate and promote consumer acceptance of
5 transgenic cottons;

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

8 **AGRICULTURAL WEATHER SERVICES**

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

13 **ALLIED INDUSTRIES**

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

17 **MEETINGS AND CONFERENCES**

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

21 **INTEGRATED PEST MANAGEMENT**

22 28. Support research, development and education programs to lower production
23 costs through effective management of insect, weed, disease, nematode, and any other
24 pests; urge research efforts to identify and develop pest management alternatives and
25 techniques that will allow cotton to be produced economically with minimum effect on
26 the environment and non-target organisms; support the concept of integrated pest
27 management (IPM), defined as a pest population management system that anticipates

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1 and prevents pests from reaching damaging levels by all suitable techniques such as
2 natural enemies, pest resistant plants, cultural management and judicious use of crop
3 protection products; support the concept that IPM and eradication programs are fully
4 compatible; support continued research and education in IPM, especially after
5 eradication of the boll weevil and upon commercial introduction of new technologies
6 such as genetically engineered varieties; increase efforts that focus on changes in the
7 status of pests such as plant bugs, aphids and stink bugs; develop new, more effective
8 application technologies; urge appropriate agencies to continue research for control of
9 aphids, whiteflies and other insects which cause economic damage and adversely affect
10 processing; as necessary, appoint producer workgroups to direct policy and actions
11 addressing emerging pest threats to the cotton industry, including Cotton Leaf Roll
12 Dwarf Virus, regarding funding and research priorities, collaboration of federal and
13 cotton industry research funding, and associated activities;

RESISTANCE MANAGEMENT

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

1 resistance development in tobacco budworm and cotton bollworm to multiple gene
2 transgenic *Bt* cottons while minimizing potential compliance difficulties;

3 **WHITEFLY**

4 30. Cooperate, support and encourage USDA, state agency, university, Cotton
5 Incorporated and private industry research efforts to control the whitefly, to coordinate
6 the rapid dissemination of the results of such research efforts to help reduce the
7 economic damage to the U.S. cotton industry, to support cooperation among producers
8 of all affected crops to implement IPM practices, to encourage continuation of whitefly
9 research and technology transfer, and continue cooperation with states, private industry
10 and USDA to monitor status of the Q biotype of *Bemisia tabaci*;

11 **NEMATODES**

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

17 **BOLL WEEVIL ERADICATION**

18 32. Lend full support and cooperation to the maintenance of boll weevil free states
19 and zones and to the completion of Boll Weevil Eradication programs in active areas;
20 give priority consideration to securing federal cost share for the national buffer zone;
21 provide leadership to protect eradicated areas and those under eradication by
22 supporting educational programs, equipment movement and sanitation guidelines and a
23 state-coordinated boll weevil quarantine authority; urge USDA-APHIS to continue the
24 cooperative engagement with Mexico's Secretary of Agriculture and Rural Development
25 (SADAR) National Service of Health, Food Safety, and Quality (SENASICA) to support
26 completion of the eradication programs underway in Mexico and to pursue
27 implementation of eradication programs for other boll weevil infested areas in Mexico;
28 continue and assist the NCC Cotton Pest Action Committee and continue to assist in

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1 coordinating research, extension and action programs to eradicate the boll weevil while
2 supporting the timely transition into post eradication functions; urge USDA-ARS to
3 continue boll weevil research to achieve completion of Beltwide boll weevil eradication
4 and to establish science in support of post eradication maintenance; and recommend
5 that all boll weevil eradication foundations and cotton organizations continue to support
6 the National Boll Weevil Protection Fund;

7 **PINK BOLLWORM**

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

13 **EXOTIC AND INVASIVE SPECIES**

14 34. Encourage Federal and State Agencies to identify and monitor for the
15 introduction of exotic and invasive pest species using the most appropriate techniques;
16 and support appropriate regulations that prevent the introduction or restrict the dispersal
17 of exotic and invasive pest species; urge action and support funding to Federal and
18 State Agencies for the purpose of eliminating exotic pest introductions that pose risks to
19 cotton production;

20 **ENVIRONMENT, RESOURCES AND SOCIETAL TRENDS**

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

1 36. Support efforts to include cotton farms and cotton gins, as an extension of the
2 cotton harvest, in any Department of Energy and/or Department of Agriculture Climate
3 Solutions programs or initiatives that promote the use of agrivoltaics, bioenergy, or other
4 sustainable means of producing electrical or other forms of energy; ensure and promote
5 that sustainable energy produced from cotton farming and ginning be eligible as offsets
6 for energy consumed and as carbon insets throughout the supply chain; and support
7 research by land grant universities and the three USDA-ARS cotton ginning laboratories
8 to address harvesting as a component of Agriculture Climate Solutions and to develop
9 and/or find sustainable energy solutions for cotton producers and ginneries while
10 preserving both productive farmland and private property rights.

NATIONAL COTTON COUNCIL

2026

PACKAGING AND DISTRIBUTION COMMITTEE

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James Wages (Ginner) Humboldt, TN - Vice-Chairman

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Alexander Stafford Britton (Producer) Conway, NC
Freeman Brown (Ginner) Maury City, TN
Joshua Burris (Merchant) Lubbock, TX
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Dean Calvani (Producer) Carlsbad, NM
Adriane L. Carbonel (Ginner) Buttonwillow, CA
Dwayne Coward (Warehouser) Greenwood, MS
Ray Doroff (Warehouser) Memphis, TN
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Gary Evans (Ginner) Hazlehurst, GA
Gary D. Feist (Ginner) Anthony, KS
Jeff Finley (Merchant) Memphis, TN
Dennis W. Flowers (Ginner) Bushland, TX
Kent D. Fountain (Ginner) Surrency, GA
Jordan L. Grier (Warehouser) Taylor, TX
Benjamin Guthrie (Producer) Newellton, LA
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James Ryan Johnson (Producer) Wilmot, AR
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Michael Quinn (Manufacturer) Sanford, NC
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Jeffery Wilson (Producer) Rebecca, GA

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

d. producers, ginner and warehouse:

(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 **will 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 recommendation].~~ The
21 industry should investigate options for a more durable polyethylene bag and a
22 lighter-weight cotton bag, **while embracing expeditious testing, seeking loan**
23 **eligibility, and requesting approval for delivery against ICE Cotton # 2**
24 **Futures Contract of experimental bale packaging; [ACSA recommendation]**

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

i. the cotton industry through the JCIBPC, supports the industry standard of uniform density bales and urges gin interests give special emphasis to maintaining universal density bales which by definition have uniform weight and size dimensions as referenced in the JCIBPC Specifications for Cotton Bale Packaging Materials, the ~~2003~~ **2025 [Staff recommendation]** Bale Weight Management Brochure approved by the cotton industry's Joint Lightweight Bale Study Committee, and International Standard (ISO) 8115 with the objective of achieving efficient bale storage, handling, transport and opening at textile mills; and continue to educate the industry of the economic and other benefits in transportation and mill processing;

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

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

(1) take into account bale stack stability; and

(2) prevent lint from being exposed to contaminants;

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

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m. for outside storage of bales, ginnermen 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;

2. Communicate to the JCIBPC that it continue to recognize that bale tie and bag failures 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;

c. that manufacturers and suppliers of bale packaging, tying and handling systems along with system users develop innovative, economical, efficient, and technically advanced packaging solutions that substantially increase bale package integrity and reduce tie breakage; and

d. support the industry-wide use of a web-based comprehensive reporting form that documents bale tie and bag performance;

FLOW-SHIPMENT

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

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

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

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

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

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

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

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

(New) Encourage consultation with affected industry segments during the revisions to existing trade rules and the development of new trade rules;
[NCGA recommendation]

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

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

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

(2) are accessible through a common entry point, and

(3) adequately protect the legitimate privacy interests of all parties;

b. Urge acceptance of the definition of improved cotton flow, which not only means moving a bale from gin to mill or port of export faster, but also other efficient processes that help the cotton industry meet the timely demand for US cotton; furthermore, as efficiencies in cotton flow are gained, all segments bearing costs associated with increased velocity including increased hours of

1 service, wages, equipment and other measures should share in the increased
2 value created for the industry.

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

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

10 (2) warehouse notification by electronic means when a complaint is
11 filed; and

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

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

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

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

27 g. encouraging industry to work with manufacturers to develop consistent
28 receiving hours;

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

4 i. encouraging all warehouse operations to continue improving facilities and
5 practices, including the use of the Staging Shipment Option (SSO) to increase
6 efficiency;

7 j. urging all warehouses to adopt a standard format for the locator ID field in
8 the electronic warehouse receipt record and urging persons requesting shipment
9 to use the locator so that shipments may be grouped as efficiently as possible;

10 k. urging USDA to frequently review BMAS reports and expand the published
11 data from those and similar reports;

12 l. encouraging shippers to work with truckers to ensure that shipments are
13 picked up on time (honor negotiated load dates) or to accept penalties for non-
14 performance; and

15 m. urging warehouses to adopt and comply with the reconciled days and
16 hours rule in the Cotton Storage Agreement and the US Warehouse Act, WA-401
17 – Cotton Licensing agreement; and

18 n. mandating the use of electronic “Update Shipping Order (Batch 23 type)”
19 files and complying with provisions in the USDA and electronic warehouse
20 receipt provider agreement that:

21 (1) require the warehouse to:

22 (i) accept staging shipping orders (EWR Batch 31 files); and

23 (ii) respond to shipper generated shipping orders (EWR Batch
24 21 files) or staging shipping orders containing a valid requested shipping
25 date with an updated shipping order no later than two business days;

26 (2) require shipping orders without valid requested shipping dates or a
27 TBA designation to be flagged and returned to the sender by the provider;
28 and

(3) require shipping orders with a TBA designation to be followed up with an updated shipping order containing a valid requested shipping date;

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

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

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

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

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

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

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

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

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

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

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

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

f. directs textile manufacturers to ensure that PBI tags remain on rejected bales;

g. requires USDA/AMS to continue its monitoring role to ensure that the bale numbering system used by the gins produces PBI numbers that are, indeed, unique across five crop years; and

h. provides for continued work by appropriate Council committees to further improve the PBI system by continuing to evaluate a tag format which, to the extent practicable, will be standardized with respect to size, layout, color, number, durability and location of tags on bales, and includes a barcode format, **quick response (QR) code**, and eye-readable numbers and allows for on-location printing;

~~i. Work with the Joint Cotton Industry Bale Packaging Committee to add a quick response code in addition to the bar code, giving "space" for future traceability and sustainability information; [Staff recommendation]~~

13. Urge CCC to define "CCC approved storage capacity" as the higher of the maximum licensed CCC approved storage capacity or the actual number of bales stored at any time during the marketing year; once the warehouse has established its maximum licensed capacity or stored its maximum number of bales, the higher number will be used to determine compliance for the balance of that marketing year, with the following exception: if the maximum number of bales stored (for a week in a year) falls below the warehouse's licensed capacity, an adjustment to effective capacity could be made by CCC if requested by a warehouse;

14. Urge industry compliance with the minimum shipping standard –which is to make available for shipment 4.5% per week of "CCC approved storage capacity" in effect during the relevant week of shipment by:

1 a. allowing “Bales Not Picked Up” (BNPU) to be counted for only one
2 reporting period, where:

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

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

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

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

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

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

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

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

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

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1 16. Urge the U.S. Department of Agriculture to ~~initiate a~~ **continually monitor the**
2 ***[Staff recommendation]*** non-complaint-driven auditing system to audit compliance of
3 warehouses and shippers regarding the Minimum Shipping Standard and related
4 regulatory policies;

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

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

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

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

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

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

23 19. Advise all segments as well as federal agencies and code writing groups of the
24 declassification of cotton as a hazardous material by the U.S. Department of
25 Transportation, International Maritime Organization, National Fire Protection Association
26 and the International Code Council; and to continue working with Cotton Warehouse
27 Association of America, Cotton Growers Warehouse Association and other interest
28 organizations to update fire, building and other codes that apply to densely baled cotton

such as those written by, but not limited to, the National Fire Protection Association and the International Code Council;

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

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

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

WAREHOUSING

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

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

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25. Support the U.S. Warehouse Act's current licensing fees without further user fees, advocating that the cost of administering the program be defrayed from the general treasury; and continue to seek a method of assuring that bales of cotton represented by warehouse receipts contain gradable cotton;

26. Support the administrative procedure whereby CCC pays accrued storage charges to warehouses at the end of the original loan period and quarterly thereafter, recommend that the payment be at the individual warehouse-published tariff rates;

27. Support a uniform maximum CCC storage credit rate, recognizing the need for a higher credit rate for the Far West;

28. Recommend that CCC allow inter-warehouse transfers at any time with no limit on CCC storage credit provided that:

- a. a revised CCC Form-605 clearly states the authority granted to the agent,
- b. all costs associated with transfer are paid by the requester, and
- c. the sanctity of the warehouse receipt is preserved;

29. Recommend that CCC continue to allow cotton to be transferred between warehouses under common ownership with no limit on CCC storage credit provided that:

- a. all costs associated with transfer are paid by the requester; and
- b. the sanctity of the warehouse receipt is preserved;

30. Urge USDA to consult and seek advice from the National Cotton Council or its appropriate committee before making exceptions to provisions of the storage contract between CCC and the cotton warehouse industry;

31. Continue to support procedures for waiving unnecessary pre-shipment fumigation requirements for baled cotton, cottonseed and cottonseed products; encourage timely issuance of phytosanitary certificates that comply with our WTO treaty obligations;

1 a. encourage use of the updated USDA-APHIS national cotton compliance
2 agreement template found in Section 4, Special Procedures—Commodity -
3 Cotton of the USDA-APHIS-PPQ Export Program Manual;

4 b. examine resulting consequences for warehouses, exporters and other
5 affected parties associated with such program changes; and

6 c. insure procedures for inspections and issuing phytosanitary certificates,
7 including electronic certificates for baled cotton issued using the APHIS
8 Phytosanitary Certificate Issuance and Tracking system, conform with industry
9 practices;

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

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

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

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

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

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

d. “outside storage” is defined as being stored outside more than 15 days after loan entry;

e. eligibility for storage credit will be denied on a bale-by-bale basis during the period cotton is stored outside but, when moved back inside, eligibility for the storage credit will be restored; and

f. the warehouse receipt will denote the dates the bale was stored outside;

35. Urge ~~CCC~~ **USDA-AMS**, when determining deficit storage areas, to divide states into more than one area, as appropriate, based on criteria established in consultation with the National Cotton Council, and **USDA-AMS** ~~CCC~~ is urged to publish the data supporting the determination of the storage deficit areas; **[ACSA recommendation]**

36. Urge warehouses to stage any individual shipping order at a single point of pickup, which should be communicated to the shipper in advance of the agreed upon ship date, if the pickup point is not equal to the profile address listed for the warehouse code on EWR. If warehouses choose not to perform this function by obtaining individual warehouse codes, they will, at their own expense, consolidate all bales to the single point of pickup;

37. Recommend segments of the cotton industry that handle baled cotton should provide staff training as outlined in the “A Guide for Cotton Bale Standards”, a National Cotton Council publication, and further recommend that the holder or depositor of the bale be notified when the bale fails to meet the recommended standard as listed in the “A Guide for Cotton Bale Standards”;

38. Urge the elimination of practices that provide non-performance incentives;

39. Urge USDA to enhance communication and transparency with state warehouse licensing authorities as federal regulatory requirements change. Furthermore, as

industry initiatives are proposed, approved, and implemented, it is encouraged that state regulatory authorities and the USDA collaborate on education efforts, and strive to attain regulatory consistency within the industry;

CONTAINER SECURITY REQUIREMENTS

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

COMPUTER AND ELECTRONIC TECHNOLOGY

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

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

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

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

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

4 e. working with others to identify e-commerce tools like cell phone
5 applications or similar web-based applications that eliminate real time
6 communication gaps throughout the cotton supply chain and ensuring all levels
7 of the cotton supply chain are aware of and have access to cotton friendly e-
8 commerce tools; and

9 f. recommending the creation of an emerging cotton technology committee
10 made up of representatives from the seven segments and other interested
11 stakeholders.

NATIONAL COTTON COUNCIL

2026

HEALTH, SAFETY AND ENVIRONMENTAL QUALITY COMMITTEE

Fred Serven (Cottonseed) Chattanooga, TN - Chairman
Stephen E. Logan (Producer) Gilliam, LA - Vice-Chairman

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Michael Davis (Producer) Graceville, FL
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Jeremy Gay (Producer) Matthews, GA
Frankie Gayle, Jr. (Ginner) Tallulah, LA
Logan Gillis (Producer) Axson, GA
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Stephen L. Harris (Ginner) Senath, MO
Aaron B. Hendricks (Ginner) Floydada, TX
Jason D. Hodges (Ginner) Emporia, VA
Mark Howard (Producer) Dalhart, TX
Randall E. Hyman (Cooperative) Oak City, NC
Kirby E. Johnson (Ginner) Mayesville, SC
James W. Jones, Jr. (Producer) Windsor, VA
Ted H. Kendall, IV (Producer) Bolton, MS
Thomas L. Lahey (Producer) Moscow, KS
Micah Lawrence (Manufacturer) Salisbury, NC
Jordan Lea (Merchant) Greenville, SC
Martin Loeza (Warehouser) Bakersfield, CA
Stephen E. Logan (Producer) Gilliam, LA

Jimmy Lyons (Ginner) Caruthersville, MO
Seth Mahan (Ginner) Welch, TX
Phillip David Melvin (Producer) Altha, FL
Jim Mercer (Producer) Twin City, GA
Michael A. Mullion (Producer) Blythe, CA
Peter Nelson (Merchant) New York, NY
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Thomas A. Parker (Cooperative) Lake Providence, LA
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Robin Pigot (Merchant) Holly Springs, MS
Tom Stonewall Pinson (Cooperative) Albany, GA
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Chris Sawyer (Producer) Greenville, NC
Paul Schwertner (Ginner) Moscow, KS
Fred Serven (Cottonseed) Chattanooga, TN
Les Sides (Producer) Hayti, MO
John Steelhammer (Ginner) Mathis, TX
Joe Taylor (Warehouser) Altus, OK
Matt Toste (Ginner) Cantua Creek, CA
J. Reid Turner (Producer) Baxley, GA
Davis Warlick, Jr. (Manufacturer) Gastonia, NC
Todd M. Waters (Ginner) Pantego, NC

**HEALTH, SAFETY AND ENVIRONMENTAL QUALITY
COMMITTEE**

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

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

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

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

c. oppose regulation through compliance guidelines; and

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

RAW COTTON DUST

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

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

AFLATOXINS/OTHER CONTAMINANTS

4. Work with USDA and other commodity groups (corn, peanuts and tree nuts) to
support and give direction to research to eliminate aflatoxin contamination of
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;

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

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

OCCUPATIONAL SAFETY AND HEALTH

11. Recognizing that worker safety and health are primary concerns for all segments of the cotton industry, maintain liaison with all agencies and the National Cotton Ginners Association, National Cottonseed Products Association, ~~National Textile Association~~, National Council of Textile Organizations, and other groups concerned with the safety and health of workers; provide assistance to all segments of the cotton industry affected by regulations and legislation; **[Staff recommendation]**

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

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

CHEMICAL REGULATORY GUIDELINES

14. Support adoption of consensus policy for federal and state agencies in evaluating 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:

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

7 b. support efforts to improve the process for establishing regulations; and

8 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;

12 **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;

AGRICULTURAL CHEMICALS

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

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

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

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

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

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

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

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

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

20. Support the continued availability of non-proprietary and minor use of cotton crop protection products under the data call-in and re-registration process and urge 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,
2 minimum dilutions, plant back, maintained vegetative buffer strips, etc.) imposed as crop
3 protection product application/use restrictions be based on scientific proof as necessary
4 to mitigate human health or environmental effects or crop damage;

5 22. Vigorously support the adoption of rational pesticide spray drift label language
6 that does not establish a zero drift policy; recognize agricultural chemicals associated
7 with cotton's transgenic traits can be safely applied in a manner similar to those for
8 other crops; support cross-commodity educational efforts which encourage responsible,
9 good neighbor activity to minimize off-target drift ramifications rather than the imposition
10 of regulatory mandates; encourage enhanced communication to identify sensitive areas
11 of neighboring farms and other land uses; encourage adoption of improved application
12 technology by providing label language incentives;

13 23. Continue to encourage appropriate use of cottonseed oil as a crop protection
14 product carrier and in crop protection product formulations;

15 24. Develop pesticide use and other needed data to help maintain access to
16 necessary crop protection products;

17 25. Recognize the ecological and economic importance of pollinators and urge that
18 any pesticide risk assessment for pollinators in cotton be based on sound science and
19 actual field data related to colony health and that any mitigation arising from these
20 assessments be conducted in a manner that does not infringe on the rights of property
21 owners; support collaborative practices and communications that minimize crop yield
22 losses and/or producer liability related to pollinators while enhancing pollinator
23 protection and ensuring the availability of crop protection products; support efforts to
24 improve pollinator habitat in non-crop land including conservation program lands and
25 federal and state parks, forests, and roadsides; support the concept that honey bees
26 and native pollinators should have equal access to federal and state lands;

27 26. Support adequate Congressional funding and administrative support for USDA's
28 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;

33. Support the objective that crop protection product/environmental safety initiatives focus on risk reduction measures rather than only reduction in the use of crop protection 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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EPA; and oppose legislative efforts to remove the term “navigable waters” from the CWA;

45. Assure a reasonable and science-based development and implementation of the Total Maximum Daily Load (TMDL) program by supporting the right of states to develop voluntary, affordable, site-specific, non-point source management plans with a focus on impaired watersheds, and continue the use of Extension Service information, Natural Resources Conservation Service technical assistance and government cost-share assistance administered by county and district Farm Service Agency (FSA) offices;

46. Continue efforts to ensure that EPA oil spill prevention and response requirements, including Spill Prevention, Control and Countermeasure (SPCC) plans, are not unduly burdensome to producers, ginners, and oil mills;

47. Support research, development, education and financial incentives for environmentally responsible and economically achievable agricultural practices, and encourage voluntary nutrient management programs at the state and local levels, if appropriate, that are efficient, viable and economically productive;

48. Work to obtain exceptions or favorable interpretations of the Farm Worker Protection Standard (WPS) that continue to protect workers while recognizing that farming is not conducted within a controlled environment and, therefore, must be flexible and adaptable to site-specific practices using scientifically determined safe re-entry intervals; and continue to provide adequate resources to complete the industry’s WPS education and compliance program;

CONSUMER PROTECTION

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

BIOTECHNOLOGY

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

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

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

53. Recognizing that post-patent transgenic traits may create a generic trait market and that international trade could be significantly disrupted if international approvals for 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;

13 **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.

NATIONAL COTTON COUNCIL

2026

INTERNATIONAL TRADE POLICY COMMITTEE

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Heath Allen Donner (Producer) Manila, AR
David Douglas (Cottonseed) Germantown, TN
Matthew Dunbar (Merchant) Memphis, TN
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John Morley (Cottonseed) Omaha, NE
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Nick Peay (Merchant) Cordova, TN
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INTERNATIONAL TRADE POLICY COMMITTEE

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

TRADE POLICY

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

2. Work for specific trade policies that will:

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

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; and

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; and

7 **d. against countries and companies which U.S. exporters have suffered**
8 **significant losses through contract defaults and non-performance. [ACSA**
9 **recommendation]**

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

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

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

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

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

26 a. promotes the development of free market principles;

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

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

3 d. encourages transparency in government decisions affecting raw fiber and
4 textile markets;

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

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

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

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

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

27 12. Urge USDA to deny future allocations of export assistance, including direct credit
28 and credit guarantee programs, to countries that routinely engage in unfair trading
29 practices detrimental to U.S. cotton and its products, unless such allocations will

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facilitate the long-term export market development objectives of U.S. cotton and its products;

13. Work to assist the U.S. cotton industry in defending against international trade actions, such as imposition of countervailing or antidumping duties, by other countries that harm the U.S. cotton industry and urge the U.S. government to vigorously defend the U.S. cotton program within the WTO in response to complaints filed by other countries;

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

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

TRADE NEGOTIATIONS

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

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

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

- a. promise real and measurable advantages for the U.S. cotton industry by expanding trade opportunities for such products;
- b. are designed to obtain competitive opportunities for U.S. exports of textiles and apparel in foreign markets substantially equivalent to the competitive opportunities afforded imports of such products in U.S. markets;
- c. will not undermine the competitiveness of the U.S. cotton industry;
- d. provide reasonable adjustment periods for U.S. import-sensitive products;
- e. take into account the value of existing preferential trade arrangements to the U.S. cotton industry to the maximum extent feasible;
- f. take into account the threat that currency manipulation may cause and take effective steps to minimize that threat;
- g. are designed to strengthen protections for the health and safety of workers in partner countries and adhere to internationally recognized labor standards;
- h. contain measures to protect the environment in partner countries;
- i. contain strong customs enforcement rules that include the electronic tracking of textile components;
- j. deny unilateral benefits for imports of cotton and its products from centrally-planned non-market economies and from state-owned or directed enterprises;
- k. require that all countries support the necessity of contract sanctity and agree that technical, quality, or other disputes related to sales and payment may be resolved by recognized impartial international arbitration boards at the request of either party in the dispute; and
- l. contain a strong and effective rule-of-origin for cotton and cotton textile products that is no less restrictive than the rules of the U.S.-Mexico-Canada Agreement (USMCA); provided, however, that cotton entering the U.S. under a Special Import Quota would be considered U.S.-origin;

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

a. supplying apparel manufacturers and other end-use manufacturing industries, wherever located, with U.S.-produced raw cotton, cottonseed, cottonseed products and U.S.-produced textiles; and

b. oppose those which reduce such opportunities;

20. Encourage trade negotiations with countries that are likely to lead to greater use of U.S. cotton and its products;

WORLD TRADE ORGANIZATION

21. With respect to the World Trade Organization (WTO) and all applicable agreements and any applicable U.S. implementing legislation, urge U.S. officials to:

a. work with all segments of the cotton industry to ensure that the interests of U.S. cotton and its products are promoted under the WTO and treated fairly by that organization;

b. provide adequate monitoring and enforcement procedures to ensure that all countries comply with their WTO obligations applicable to cotton and its products;

c. provide safeguards against transshipment, duty evasion, transformation and other means of circumventing WTO obligations; and

d. maintain a strong commitment to the U.S. cotton program and U.S. agriculture programs;

22. With respect to textiles:

a. insist that U.S. officials continue to seek to obtain commitments from all WTO members, especially developing countries, to open their markets to **U.S.** textiles and apparel; and ***[Staff recommendation]***

b. insist that U.S. officials oppose membership in the WTO to any country which does not **agree to** ***[Staff recommendation]***

1 provide effective and reciprocal market access for U.S. textiles and apparel;

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

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

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

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

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

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

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

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- c. improve disciplines applicable to the state trading of agricultural commodities;
- d. reduce and bind textile and apparel tariffs of all WTO members to levels that are the same as or lower than those currently in the U.S.;
- e. eliminate within two years non-tariff trade barriers that restrict market opportunities for U.S. textiles;
- f. establish effective rules and disciplines regarding intellectual property rights affecting designs, patterns and copyrights for cotton and its products, especially home furnishings, decorative fabrics and upholstery fabrics, and any rights belonging to the U.S. Cotton Trust Protocol and Cotton Council International;
- g. improve rules restricting the use of export subsidies, including rules with respect to downstream subsidization of agricultural products, use of export taxes to reduce prices of processed products, content requirements for exports exempted from export taxes and the refund of value-added taxes that unfairly enhance the competitiveness of exported products;
- h. reduce trade distorting agricultural subsidies worldwide, but preserve important U.S. domestic and export programs (including U.S. export credit guarantee programs) as long as necessary to compete with the treasuries of **foreign governments** ~~our competitors~~; *[Staff recommendation]*
- i. maintain current WTO provisions dealing with unfair trade practices and not contain provisions that will require the U.S. to weaken its laws and regulations on unfair trade practices;
- j. not restrict the ability of the U.S. to enter into beneficial regional trading arrangements;
- k. improve the ability of the WTO to curtail the use of managed and/or manipulated exchange rates that confer unfair export advantages;

1 l. not include cotton-specific language that is unfair or requires inequitable
2 and disproportionate changes in the U.S. cotton program or other U.S. policies
3 that affect cotton;

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

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

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

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

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

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

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

26 31. Support continued “zero duty/zero quota” authority for raw cotton imports access
27 consistent with U.S. commitments made to Least Developed Countries (LDCs) in Hong
28 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 contain provisions that will maximize the use of U.S. cotton and textile components and U.S. cottonseed and cottonseed products wherever possible, and oppose such arrangements that would harm the competitiveness of U.S. cotton, cotton textile and apparel **products** [*Staff recommendation*], cottonseed and cottonseed products, do not maximize the use of U.S. cotton and textile components and contain significant waivers of rule-of-origin requirements;

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

a. support increased funding for U.S. Customs and Border Protection to prevent participating countries from becoming gateways for cotton and its products from non-signatory countries to illegally enter the U.S. in the form of duty-free or quota-free value-added products;

b. urge the adoption of a system for identifying the country of origin of cotton and its products to guard against illegal transshipments;

c. urge monitoring of trade flows to ensure countries in such regional trading arrangements do not increase imports of growths of cotton from non-participating countries in order to increase exports of growths of those countries to the U.S.;

d. urge prompt enforcement of effective safeguard provisions to prevent disruption of the U.S. market by import surges or the threat thereof; and

e. urge U.S. officials to monitor and take action against activity by a participating country that will have an adverse effect on the U.S. cotton industry, including unreasonable restraints on the free flow of U.S. cotton and its products into a participating country, changes in the domestic cotton program of a participating country and paperwork requirements or delays that hamper the free flow of goods between the U.S. and the participating country;

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

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

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

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

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

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

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

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

IMPORTS

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

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

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

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

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

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

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

18 b. strengthen the integrity and enforcement of the textile import regulatory
19 system, including active monitoring and enforcement of the closure of
20 closing the duty-free *de minimis* exemptions for textiles; **[ACSA**
21 **recommendation;** and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

d. requiring U.S. Customs and Border Protection to develop clear guidance for the provision of country-of-origin documentation that establishes the Permanent Bale Identification (PBI) as sufficient and the most granular requirement for documenting U.S. origin and to request collaboration between U.S. Customs and Border Protection and USDA to streamline the country-of-origin documentation process to an agency procedure.

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

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

OTHER TRADE POLICY ISSUES

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

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

58. Emphasize to Congress and the Administration the importance of ensuring that the export interests of U.S. cotton and other agricultural commodities are well

represented by USDA's Foreign Agricultural Service (FAS) and the Office of the U.S. Trade Representative, which should continue as two separate and independent lead agencies for trade policy, recognizing, however, the industrial nature of cotton products and the need for inter-agency consultation among all government agencies responsible for trade policy affecting cotton and its products;

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

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

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

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

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

- a. identification and elimination of specific barriers to textile exports;
- b. the monitoring of trade flows and conduct of economic and trade analysis to enable the U.S. government to determine whether to impose limits on textile and apparel imports, and the overall administration and implementation of the government's textile trade program; and
- c. implementation of safeguard mechanisms (including safeguard mechanisms developed as a part of China's WTO accession agreement);

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

3 ~~65. Support the continuation of the World Apparel Fibre Consumption Survey~~
4 ~~by the Food and Agriculture Organization and the International Cotton Advisory~~
5 ~~Committee (ICAC) and seek avenues through which this global look at textile fiber~~
6 ~~consumption can be maintained;~~ **[Staff recommendation]**

7 ~~66. Support the current structure of activities and management of the International~~
8 ~~Cotton Advisory Committee (ICAC) and its work to develop better worldwide information~~
9 ~~on production, consumption, trade, stocks and prices of cotton and its products and urge~~
10 ~~the continued funding of the ICAC through the U.S. Department of State or other~~
11 ~~appropriate federal agencies; and~~ **[ACSA recommendation]**

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

NATIONAL COTTON COUNCIL

2026

FARM PROGRAM AND ECONOMIC POLICY COMMITTEE

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Nicholas Marshall (Producer) Baker, FL

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 recommendation]**

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 recommendation]** 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;
2. 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;
3. In an effort to improve the timeliness, competitiveness and flow of cotton, support farm 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;

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 warehouse'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 ginneries;

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;

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 unginne 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

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

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

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

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

12 b. support farm income, and

13 c. maintain a processing and handling infrastructure;

14 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;

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

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

25 b. locate, as part of a national wetlands protection program, wetlands areas
26 in all states, with participation and input with locally affected wetlands property
27 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;

19 **RISK MANAGEMENT**

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

23 a. utilizing available resources to educate producers on risk management
24 alternatives currently available through the use of forward, spot and equity
25 contracts combined with Intercontinental Exchange (ICE) executed options that
26 provide protection by way of a minimum price in declining markets and the
27 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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31. Support legislation or administrative measures to hold U.S. imports of extra long staple cotton to a reasonable level;

32. Strongly support continued operation of the Extra Long Staple Cotton Competitiveness Payment Program as authorized in the 2014 farm bill and seek adjustments to the foreign price quotes utilized in the program to reflect changes in producing and exporting countries;

33. Support an ELS marketing loan program that contains alternate repayment provisions with the loan rate set at a level that provides meaningful cash flow for producers and reflects relative market valuations;

34. At a future date and with approval of the Pima industry leaders, develop a revenue insurance product that includes enterprise units through the RMA product development process with a future goal of inclusion of Pima into an area-wide, shallow-loss revenue program;

ECONOMIC ENVIRONMENT

35. Support Congressional efforts to maintain a balanced federal budget employing appropriate spending cuts and significant tax cuts, provided that programs affecting the cotton industry and textile/apparel manufacturers are not asked to accept disproportionate cuts and that Congress and the Administration apply dynamic scoring techniques to the cost of tax cuts, thus minimizing the need for budget offsets;

36. Support a Consumer Price Index that properly reflects adjustments for measuring inflation;

EMPLOYMENT AND WAGES

37. Urge that all present and future labor laws embody principles and be administered in a manner which will:

a. protect the general rights and legitimate interests of labor, management and the public; and

b. maintain the historic overtime exemptions of agriculture and agricultural 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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43. Support the continued tradition of family farming by:

a. supporting existing Fair Labor Standards Act (FLSA) provisions which allow for young people of the proper age to perform agriculture jobs;

b. supporting the continued exemptions and the U.S. Department of Labor interpretation for family members in a closely held corporation, partnership or sole proprietorship from provisions in the FLSA, Migrant and Seasonal Agricultural Worker Protection Act, unemployment compensation laws and Occupational Safety and Health Administration Act; and

c. opposing the expansion of the Agricultural Hazardous Occupation Orders by the U.S. Department of Labor;

WAGE AND PRICE CONTROLS

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

ENERGY

45. If a national energy program is implemented, such a program should provide sufficient energy supplies to assure full agricultural production and maximum operation by the industries which process and export agricultural products;

46. Oppose any restrictions on energy prices except in actual emergencies;

47. Support the objective of the efforts to improve the U.S. textile industry's international competitiveness through improved domestic energy efficiency;

48. Support the use of cotton products in any biofuels energy program;

49. Urge Congress and the Administration to implement a national energy policy which addresses the rising energy cost in producing and processing agricultural products;

FEDERAL TAX LAWS

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

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

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

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

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

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

56. Support a lower capital gains tax;

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

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

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

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60. Support the creation of a tax deferred savings account as a risk management tool that can be accessed when income for farmers, ranchers and other agricultural businesses; is below average;

61. Support provisions to allow self-employed taxpayers to deduct the full cost of health, dental, disability and long-term care insurance premiums;

62. Support exempting any portion of a self-employed person's income that is attributable to a return on investment, including CRP payments, from self-employment taxes;

63. Support exempting rental income from land rented to a farm corporation or partnership from self-employment taxes;

64. Support tax deductibility for permanent conservation practices for landowners who cash rent their land;

65. Support efforts to allow more rapid recovery of the costs of machinery, equipment and buildings, and to further simplify tax depreciation procedures in order to enhance the competitiveness of the U.S. cotton industry;

66. Support legislation and administrative actions that will aid the recovery of and stimulate job creation by the U.S. cotton and cotton textile and apparel industries;

67. Urge Congressional codification of the Federal Court decision which ruled that the federal excise tax does not apply to cotton module truck beds;

68. Support the repeal of requirements that federal, state, and local governments withhold any portion of farm program benefits;

69. Support continued eligibility for farm program benefits on property obtained in section 1031 land exchanges;

(NEW) Support a tax credit that will encourage the sale of products containing U.S. cotton (in any form), and ensure that such tax credit:

a. Offers the highest benefit to entities selling U.S. cotton products that have been fully processed in the United States or in a country with which the United 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 recommendation]**
4

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;

17 **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

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

FARM BARGAINING

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

WATER LAW

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

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

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

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

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

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

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

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

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

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

LAND USE PLANNING

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

GOVERNMENT PROCUREMENT PRACTICES

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

INDUSTRY CONSOLIDATION

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

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

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

FOOD PRODUCT LABELING

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

PRECISION AGRICULTURE DATA SECURITY

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

SUSTAINABILITY

93. Supports the enhancement of producer income through the U.S. Cotton Trust Protocol, ~~the U.S. Climate Smart Cotton Program~~ and other sustainability initiatives to encourage future progress. ***[Staff recommendation]***