

1 **National Affairs Committee**
2 **Adopted at the 97th Annual Convention**
3 **May 21, 2021**

4
5
6 The National Affairs Committee recommends that ACSA:

7
8 **1. COMMODITY PROGRAMS:**
9

- 10 a) Support a CCC non-recourse loan, minimum loan floor, and a marketing loan;
11
12 b) Support continued use of the Farm Service Agency (FSA) acreage bases and program
13 yields as a part of the official USDA record of historic and contemporary cropland base;
14
15 c) Support the safety net of domestic support created in the commodity title of the farm bill,
16 and encourage the expansion of export market access and free trade to minimize the need
17 for such programs;
18
19 d) Oppose efforts to dilute or modify the effectiveness of domestic farm policy through further
20 limitations or means-testing of eligibility for farm program benefits, and further oppose
21 any restrictions on eligibility for farm program participation;
22
23 e) Encourage USDA to administer the ELS Competitiveness Program through the evaluation
24 of all available quotations in order to best calculate payments on the basis to competing
25 ELS growths;
26
27 f) Regularly engage with American Cotton Producers (ACP) to evaluate and advocate for
28 farm policy measures that strengthen the U.S. cotton sector and promote the interests of
29 ACSA members; and,
30
31 g) Amid the current COVID-19 pandemic or other events of market distress, work with NCC
32 to advocate for federal support that addresses the associated market risks and costs beyond
33 the farm gate;
34

35 **2. CONSERVATION PROGRAMS:**
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- 37 a) Support continued use of voluntary conservation programs that address critical resource
38 concerns through both working lands programs and easement opportunities;
39
40 b) Advocate for the development of conservation solutions that do not create market risks by
41 influencing production or consumption trends; and
42
43 c) Urge the consideration of existing conservation practices in cotton production as
44 sustainability becomes a broader global initiative, and demonstrate to the appropriate
45 administrative agencies the comprehensive sustainability practices of the U.S. cotton
46 industry;
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1 **3. IMPROVING COTTON FLOW:**

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3 In an effort to decrease costs and increase U.S. cotton’s competitiveness, urge NCC to work
4 with ACSA through all reasonable channels to develop policy and program opportunities that
5 enhance cotton flow;

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7 **4. RECONCENTRATION OF LOAN COTTON:**

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9 To enhance the competitiveness of U.S. cotton, urge the CCC to immediately repeal the 75-
10 day limit on storage credits when CCC loan collateral is moved to any approved CCC
11 warehouse;

12
13 **5. USDA MARKET FUNDING:**

14
15 Recommend that USDA make full use of the funding authorized by Congress to assist in
16 maintaining and expanding the consumption of U.S. cotton, working in conjunction with
17 industry recommended organizations;

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19 **6. AWP TRANSPORTATION COSTS:**

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21 Commend USDA for engaging with ACSA to make adjustments to the Cost to
22 Market Survey parameters, and continue to engage with USDA to ensure that the
23 considered costs are comprehensive and reflective of current supply chain
24 challenges;

25
26 **7. BENEFICIAL INTEREST:**

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28 Recommend that members review all “Option to Purchase” contract language for
29 conformance with USDA-FSA regulations pertaining to "Beneficial Interest" in the cotton
30 to assure that the cotton maintains its eligibility for the loan or for loan deficiency payments
31 (LDP);

32
33 **8. SALE OF CCC OWNED COTTON:**

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35 a) Commend USDA for transitioning its marketing of CCC-owned Upland and ELS cotton
36 be marketed online through The Seam’s electronic platform and listed promptly for sale
37 following forfeiture, encourage recognition that methods of bid, ask, discovery and
38 settlement of CCC-owned listings shall follow The Seam’s traditional platform
39 functionality with data requirements supported as typical and necessary in the marketing
40 of non-CCC cotton on the platform, and although trading on the platform is anonymous,
41 recommend that listings of CCC cotton are identifiable in the platform by a distinguishable
42 trading term to aid in offer discovery as well as public transparency of pricing for
43 concluded CCC sales;

44
45 b) Support full integration of CCC-owned cotton auction onto The Seam’s platform;

46
47 **9. FARM BARGAINING:**

48
49 Oppose the inclusion of cotton in any legislation designed to regulate the prices of agricultural
50 sales transactions or to permit collective bargaining between producer and processor for the

1 purpose of establishing prices or the expansion of marketing orders, which would have
2 adverse effects on the orderly marketing and processing of cotton, in recognition of the
3 enjoyment by cotton producers of the security and freedom of choice to market their cotton
4 through the CCC loan, cooperatives, cotton gins, FOB merchants, shippers and mill buyers,
5 and further recognizing that the dynamic U.S. cotton marketing system provides producers
6 with competitive bidding for their product, and the pricing mechanism advocated in farm
7 bargaining legislation is unsuitable to the cotton industry;

8
9 **10. CCC WEEKLY LOAN FIGURES:**

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11 a) Urge the USDA to make a concerted effort to consolidate and keep these weekly figures
12 current and accurate since trading decisions are based upon this timely information; and,

13
14 b) Encourage CCC to report LSA and CMA cotton entered under Form G separately;

15
16 **11. RAW COTTON IMPORTS:**

17
18 Recommend that U.S. textile mills have access to adequate supplies of raw cotton
19 imports as required by U.S. production, price levels, or trade agreements;

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21 **12. RAW COTTON EXPORTS:**

22
23 Oppose all efforts that would restrict or limit foreign market access for U.S. raw cotton
24 exports;

25
26 **13. “MADE IN USA” LABEL:**

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28 Urge Congress to require that the duty free and quota free privileges accorded the U.S.
29 possessions and territories having “Commonwealth” status preclude the use of the “Made in
30 USA” label if the textile products are not manufactured out of U.S.-origin fabric made from
31 U.S.-origin yarn and sewn with U.S.-origin thread; and further urge the strong enforcement
32 of the Berry Amendment requiring that all military uniforms, apparel, and equipment be made
33 in the United States;

34
35 **14. CROP INSURANCE:**

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37 Urge the Congress and USDA to make full use of the private sector to develop a system of
38 yield and revenue insurance that is not a production incentive, and which will require strict
39 adherence to normal planting, cultivation, and harvesting practices;

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41 **15. DOMESTIC MILL CONSUMPTION & WAREHOUSE STOCK REPORTS:**

42
43 Express appreciation to USDA for releasing a monthly estimate of U.S. Domestic Mill
44 Consumption, while also urging the release of warehouse stock reports and further urge
45 USDA to include upland consumption in the monthly “Cotton System Consumption and
46 Stocks” report (ISSN: 2378-2471);

47
48 **16. TRANSFER OF LOAN COTTON FOR CERTIFICATION:**

49
50 Recommend the CCC not consider the certification of loan cotton to be a loan transfer;

1 **17. CCC QUALITY DIFFERENTIAL REVIEW & RECOMMENDATION:**

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3 Recommend NCC's Quality Task Force review current CCC quality differential
4 calculations and recommend methodology to reflect current cash market economics; and
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6 **18. COTCO:**

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8 Recognizing that the Committee Organized for the Trading of Cotton (COTCO) is the political
9 action committee of the American Cotton Shippers Association that provides member firms
10 and their employees a direct voice in the elective process, thereby meriting the full support
11 and participation of all persons who may contribute, urge that members and their employees
12 support this important endeavor that is vital to the survival of a competitive cotton market.
13

14 Respectfully submitted by:

15 William Barksdale, Chairman

16 Cory Barnes

17 Phil Bogel

18 Robert Buckles

19 Richard L. Clarke, III

20 Hank Gray

21 Jeff Johnson

22 William H. Jones, III

23 John King

24 John Mitchell

25 Joseph T. Nicosia

26 John Romines

27 Ernst D. Schroeder, Jr.

28 Beau Stephenson

29 John Stevens

30 Azeez Syed

31 Alan Vinson

32 Bobby Walton

33 Guests:

34 Dale Cougot

35 Tom McCune

36 Bill Turner

37 Cathy Greene

38 Berrye Worsham

39 Bill Hohenstein

40 Daniel Austin

41 Barbara Meredith

42 Kim Hanna

43 Josh Burris

44 Mara Peltz

45 John Aldinger

46 Darryl Earnest

47 Charles Garner

48 Lou Essex

49 Neely Mallory

50 Liz Chandler

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- 13 Gary Adams
- 14 Jordan Lea
- 15 Leigh Pell
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- 18 Missy Edwards