

Congress of the United States
Washington, DC 20515

July 6, 2021

The Honorable Tom Vilsack
Secretary
U.S. Department of Agriculture
1400 Independence Avenue SW
Washington, DC 20250

Dear Secretary Vilsack:

As the agricultural economy continues to be impacted by the disruptions and costs associated with the COVID pandemic, we want to acknowledge the work by the Department of Agriculture to distribute economic support to various sectors of the farm economy. As noted in USDA's recent announcement, the \$6 billion in additional assistance is in part designed to address gaps in previous rounds of assistance. Along those lines, we are writing with an urgent request that you use your discretionary authority to support agricultural supply chains by providing critical assistance to merchandisers of U.S. cotton.

The U.S. cotton industry experienced unprecedented disruptions in supply chains and markets due to the COVID pandemic. Through previous COVID relief packages, assistance has been provided to cotton farmers and U.S. textile manufacturers. This assistance was critically needed and is helping to address a portion of the losses experienced following the onset of COVID and the resulting business shutdowns and trade interruptions. In addition to industry requests to assist cotton farmers and textile mills, the industry has also consistently sought assistance for merchandisers and distributors of cotton as costs and risks accumulated due to sharply lower demand and business disruptions. Currently, port congestion and supply chain limitations are critical with empty container sailings continually adding costs and risks to U.S. cotton exporters. The impacts are particularly acute for cotton given the heavy reliance on containerized shipments and the use of the Los Angeles/Long Beach ports. Industry estimates suggest that the combined impact of the delayed and cancelled cotton shipments resulted in unexpected market losses and additional direct costs as a result of COVID of at least \$700 million to date for U.S. cotton merchandisers.

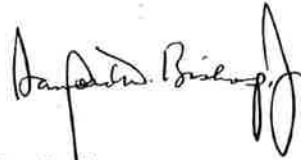
Given the important roles of merchandisers in providing liquidity and risk management for cotton producers, we urge you to explore all avenues for delivering timely and effective assistance to these industry members. The cotton industry developed a consensus recommendation for support that can be conveyed using existing policy tools without making direct payments to merchandisers, and we ask that you consider that approach as you evaluate the possible options.

Since Georgia is the second largest cotton producing state, assistance to cotton merchandisers is of critical importance to cotton industry members in my state. We urge your strong consideration of this need for assistance.

Sincerely,



David Scott
Chairman
Committee on Agriculture



Sanford D. Bishop, Jr.
Chairman
Subcommittee on
Agriculture, Rural
Development, Food and
Drug Administration, and
Related Agencies,
Committee on
Appropriations



Raphael Warnock
United States Senate