

1 **National Affairs Committee**
2 **Adopted at the 98th Annual Convention**
3 **June 24, 2022**

4
5
6 The National Affairs Committee recommends that ACSA:

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

- 10 a) Support a Commodity Credit Corporation (CCC) non-recourse loan, minimum loan floor,
11 and a marketing loan;
12
- 13 b) Support continued use of the Farm Service Agency (FSA) acreage bases and program
14 yields as a part of the official U.S. Department of Agriculture (USDA) record of historic
15 and contemporary cropland base;
16
- 17 c) Support the safety net of domestic support created in the commodity title of the farm bill,
18 and encourage the expansion of export market access and free trade to minimize the need
19 for such programs;
20
- 21 d) Oppose efforts to dilute or modify the effectiveness of domestic farm policy through further
22 limitations or means-testing of eligibility for farm program benefits, and further oppose
23 any restrictions on eligibility for farm program participation;
24
- 25 e) Encourage the USDA to administer the Extra Long Staple (ELS) Cotton Competitiveness
26 Program through the evaluation of all available quotations in order to best calculate
27 payments on the basis to competing ELS growths;
28
- 29 f) Regularly engage with American Cotton Producers (ACP) to evaluate and advocate for
30 farm policy measures that strengthen the U.S. cotton sector and promote the interests of
31 ACSA members;
32
- 33 g) Collaborate with the National Cotton Council (NCC) to work with Members of Congress
34 and their staff during the development of the 2023 Farm Bill and other relevant legislation
35 to increase the safety net values of cotton to reflect current production costs and market
36 value;
37
- 38 h) Amid the current COVID-19 pandemic or other events of market distress, work with the
39 NCC to advocate for federal support that addresses the associated market risks and costs
40 beyond the farm gate;
41
- 42 i) Urge the NCC Farm Bill Task Force to develop proposals to expand eligibility of ELS
43 cotton for federal commodity loan program benefits including but not limited to eligibility
44 for loan deficiency payments; and,
45
- 46 j) Support the continuance of Special Import Quotas as part of the Special Marketing Loan
47 Provisions for Upland Cotton to ensure U.S. textile mills have adequate supplies of raw
48 cotton;
49

1 **2. CONSERVATION PROGRAMS:**

- 2
- 3 a) Support continued use of voluntary conservation programs that address critical resource
- 4 concerns through both working lands programs and easement opportunities; and,
- 5
- 6 b) Advocate for the development of conservation solutions that do not create market risks by
- 7 influencing production or consumption trends;
- 8

9 **3. CROP INSURANCE:**

10

11 Urge the Congress and the USDA to continue federal support for the private sector to develop

12 a system of yield and revenue insurance that does not disrupt normal production practices;

13

14 **4. COTTON SUSTAINABILITY PROGRAMS:**

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16 Encourage and support the pursuit of more environmentally sustainable practices and

17 certification programs, such as the U.S. Cotton Trust Protocol, by all members of the cotton

18 supply chain;

19

20 **5. IMPROVING COTTON FLOW:**

21

22 In an effort to decrease costs and increase U.S. cotton's competitiveness, urge NCC to work

23 with ACSA through all reasonable channels to develop policy and program opportunities that

24 enhance cotton flow;

25

26 **6. RECONCENTRATION OF LOAN COTTON:**

27

28 To enhance the competitiveness of U.S. cotton, urge the CCC to immediately repeal the

29 seventy-five (75) day limit on storage credits when CCC loan collateral is moved to any

30 approved CCC warehouse;

31

32 **7. USDA MARKET FUNDING:**

33

34 Recommend that the USDA make full use of the funding authorized by Congress to assist in

35 maintaining and expanding the consumption of U.S. cotton, working in conjunction with

36 industry recommended organizations;

37

38 **8. ADJUSTED WORLD PRICE (AWP) COST TO MARKET CALCULATION:**

39

40 Commend the USDA for engaging with ACSA to make adjustments to the Cost to Market

41 Survey parameters, and continue to engage with the USDA to ensure that the considered costs

42 are comprehensive and reflective of current supply chain challenges;

43

44 **9. AWP CALCULATION:**

- 45
- 46 a) Utilize the lowest three quotations when calculating AWP;
- 47
- 48 b) Increase flexibility for AWP calculations during seasonal loan redemptions; and,
- 49
- 50 c) Set a minimum floor on the Cost to Market calculation;

1 **10. BENEFICIAL INTEREST:**

2
3 Recommend that members review all “Option to Purchase” contract language for conformity
4 with USDA-Farm Service Agency (FSA) regulations pertaining to “Beneficial Interest” in the
5 cotton to assure that the cotton maintains its eligibility for the loan or for loan deficiency
6 payments (LDP);
7

8 **11. SALE OF CCC OWNED COTTON:**

- 9
- 10 a) Commend the USDA for transitioning its marketing of CCC-owned Upland and ELS
11 cotton be marketed online through The Seam’s electronic platform and listed promptly for
12 sale following forfeiture, encourage recognition that methods of bid, ask, discovery and
13 settlement of CCC-owned listings shall follow The Seam’s traditional platform
14 functionality with data requirements supported as typical and necessary in the marketing
15 of non-CCC cotton on the platform, and although trading on the platform is anonymous,
16 recommend that listings of CCC-owned cotton are identifiable in the platform by a
17 distinguishable trading term to aid in offer discovery as well as public transparency of
18 pricing for concluded sales of CCC-owned cotton; and,
19
 - 20 b) Support full integration of CCC-owned cotton auction onto The Seam’s platform;
21

22 **12. FARM BARGAINING:**

23
24 Oppose the inclusion of cotton in any legislation designed to regulate the prices of agricultural
25 sales transactions or to permit collective bargaining between producer and processor for the
26 purpose of establishing prices or the expansion of marketing orders, and further recognizing
27 that the dynamic U.S. cotton marketing system provides producers with competitive bidding
28 for their product, and the pricing mechanism advocated in farm bargaining legislation is
29 unsuitable to the cotton industry;
30

31 **13. CCC WEEKLY LOAN FIGURES:**

- 32
- 33 a) Urge the USDA to make a concerted effort to consolidate and keep CCC weekly loan
34 figures current and accurate since trading decisions are based upon this timely information;
35 and,
36
 - 37 b) Encourage CCC to report Loan Service Agent (LSA) and Cooperative Marketing
38 Associations (CMA) cotton entered under Form G separately;
39

40 **14. RAW COTTON EXPORTS:**

41
42 Oppose all efforts that would restrict or limit foreign market access for U.S. raw cotton exports;
43

44 **15. “MADE IN USA” LABEL:**

45
46 Urge Congress to require that the duty free and quota free privileges accorded the U.S.
47 possessions and territories having “Commonwealth” status preclude the use of the “Made in
48 USA” label if the textile products are not manufactured out of U.S.-origin fabric made from
49 U.S.-origin yarn and sewn with U.S.-origin thread; and further urge the strong enforcement of
50 the Berry Amendment requiring that all military uniforms, apparel, and equipment be made in

1 the United States;

2
3 **16. COUNTRY OF ORIGIN DESIGNATION:**

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5 a) Urge Department of Homeland Security Customs and Border Protection, United States
6 Trade Representative, Department of Commerce, and other relevant agencies to accept the
7 Permanent Bale Identification (PBI) as sufficient proof of U.S. origin for a bale of cotton;
8 and,

9
10 b) Urge direct collaboration between relevant agencies and the USDA to affirm the veracity
11 of PBI information;

12
13 **17. DOMESTIC MILL CONSUMPTION & WAREHOUSE STOCK REPORTS:**

14
15 Express appreciation to the USDA for releasing a monthly estimate of U.S. Domestic Mill
16 Consumption, while also urging the release of warehouse stock reports and further urge USDA
17 to include upland consumption in the monthly “Cotton System Consumption and Stocks”
18 report (ISSN: 2378-2471);

19
20 **18. TRANSFER OF LOAN COTTON FOR CERTIFICATION:**

21
22 Recommend that the CCC not limit loan eligibility or storage credits when a loan transfer
23 occurs for the purpose of certification;

24
25 **19. CCC QUALITY DIFFERENTIAL REVIEW & RECOMMENDATION:**

26
27 Recommend that NCC’s Quality Task Force (QTF) review current CCC quality differential
28 calculations and recommend methodology to reflect current cash market economics;

29
30 **20. FUNGIBILITY:**

31
32 Support the NCC’s Joint Quality Task Force/Cotton Flow Committee’s effort to enhance
33 cotton fungibility;

34
35 **21. TRADE FLOW AND CONTAMINATION:**

36
37 a) Urge collaboration with the NCC to continue efforts to reduce contamination of U.S.
38 cotton; and,

39
40 c) Urge members to report any incidents of contamination on the NCC website,
41 reporting PBI and work to develop such technology with NCC and USDA-Agricultural
42 Marketing Service;

43
44 **22. CMAs AND LSAs:**

45
46 a) Urge the federal establishment of a National Lien Registry in order to minimize risk and
47 optimize time spent performing lien searches noting such tool would assist merchants, gins,
48 CMAs and LSAs as they pay for cotton, and also potentially expedite the transfer of funds
49 to growers;

50

1 b) Support NCC in urging the USDA-FSA to establish processes allowing CMAs and LSAs
2 to process seed cotton loans to producers, noting such function is currently available only
3 to county FSA offices; and,
4

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