

**National Affairs Committee**  
**Adopted at the 99<sup>th</sup> Annual Convention**  
**June 16, 2023**

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The National Affairs Committee recommends that ACSA:

**1. COMMODITY PROGRAMS:**

- a) Support a Commodity Credit Corporation (CCC) non-recourse marketing loan program for upland and Extra Long Staple (ELS) cotton;
- b) Support the safety net of domestic support created in the commodity title of the farm bill, and encourage the expansion of export market access and free trade to minimize the need for such programs;
- c) Oppose efforts to dilute or modify the effectiveness of domestic farm policy through further limitations or means-testing of eligibility for commodity, conservation, and crop insurance benefits, and further oppose any restrictions on eligibility for farm program participation;
- d) Encourage the U.S. Department of Agriculture (USDA) to administer the ELS Cotton Competitiveness Program through the evaluation of all available quotations in order to best calculate payments on the basis to competing ELS growths;
- e) Regularly engage with American Cotton Producers (ACP) to evaluate and advocate for farm policy measures that strengthen the U.S. cotton sector and promote the interests of ACSA members;
- f) Collaborate with the National Cotton Council (NCC) to work with Members of Congress and their staff during the development of the 2023 Farm Bill and other relevant legislation to increase the safety net values of cotton to reflect current production costs and market value;
- g) Support the continuance of Special Import Quotas as part of the Special Marketing Loan Provisions for Upland Cotton to ensure U.S. textile mills have adequate supplies of raw cotton; and
- h) With regards to the Adjusted World Price (AWP),
  - i) Utilize the lowest three (3) quotations when calculating AWP;
  - ii) Provide flexibility in loan repayment by allowing the selection of the lowest prevailing world market price during the thirty (30) days following the day on which the loan is repaid;
  - iii) Restore storage credit values to be commensurate with current market levels;
  - iv) Establish a Cost to Market calculation by using the greater of a statutory mandated minimum Cost to Market or survey results; and

- v) Continue to minimize market disruptions around the announcement of Cost to Market changes by providing revised survey results as soon as available but no less than ten (10) business days between the announced and effective dates and publishing during the month in which the loan use is the lowest;

## **2. CONSERVATION PROGRAMS:**

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

## **3. CROP INSURANCE:**

Urge the Congress and the USDA to continue federal support for the private sector to develop a system of yield and revenue insurance that does not disrupt normal production practices;

## **4. COTTON SUSTAINABILITY PROGRAMS:**

Encourage and support the pursuit of more environmentally sustainable practices and certification programs, such as the U.S. Cotton Trust Protocol, by all members of the cotton supply chain;

## **5. IMPROVING COTTON FLOW:**

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

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

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

## **7. USDA MARKET FUNDING:**

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

## **8. BENEFICIAL INTEREST:**

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

1 **9. SALE OF CCC OWNED COTTON:**

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3 Urge the USDA to promptly list CCC-owned cotton for sale on The Seam’s platform following  
4 forfeiture; further, recommend that listings of CCC-owned cotton are identifiable in the  
5 platform by a distinguishable trading term to aid in offer discovery as well as public  
6 transparency of pricing for concluded sales of CCC-owned cotton;  
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8 **10. FARM BARGAINING:**

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10 Oppose the inclusion of cotton in any legislation designed to regulate the prices of agricultural  
11 sales transactions or to permit collective bargaining between producer and processor for the  
12 purpose of establishing prices or the expansion of marketing orders, and further recognizing  
13 that the dynamic U.S. cotton marketing system provides producers with competitive bidding  
14 for their product, and the pricing mechanism advocated in farm bargaining legislation is  
15 unsuitable to the cotton industry;  
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17 **11. CCC WEEKLY LOAN FIGURES:**

- 18  
19 a) Urge the USDA to make a concerted effort to consolidate and keep CCC weekly loan  
20 figures current and accurate since trading decisions are based upon this timely information;  
21 and,  
22  
23 b) Encourage CCC to report Loan Service Agent (LSA) and Cooperative Marketing  
24 Associations (CMA) cotton entered under Form G separately;  
25

26 **12. RAW COTTON EXPORTS:**

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28 Oppose all efforts that would restrict or limit foreign market access for U.S. raw cotton exports;  
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30 **13. “MADE IN USA” LABEL:**

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

- 40  
41 a) Urge the Department of Homeland Security Customs and Border Protection, United States  
42 Trade Representative, Department of Commerce, and other relevant agencies to accept the  
43 Permanent Bale Identification (PBI) as sufficient proof of U.S. origin for a bale of cotton;  
44 and,  
45  
46 b) Urge direct collaboration between relevant agencies and the USDA to affirm the veracity  
47 of PBI information;

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

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3 Express appreciation to the USDA for releasing a monthly estimate of U.S. Domestic Mill  
4 Consumption, while also urging the release of warehouse stock reports and further urge the  
5 USDA to include upland consumption in the monthly “Cotton System Consumption and  
6 Stocks” report (ISSN: 2378-2471);  
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8 **16. CCC QUALITY DIFFERENTIAL REVIEW & RECOMMENDATION:**

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10 Recommend that NCC’s Quality Task Force (QTF) review current CCC quality differential  
11 calculations and recommend methodology to reflect current cash market economics;  
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13 **17. FUNGIBILITY:**

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15 Support the NCC’s Joint Quality Task Force/Cotton Flow Committee’s effort to enhance  
16 cotton fungibility;  
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18 **18. TRADE FLOW & CONTAMINATION:**

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20 a) Urge collaboration with the NCC to continue efforts to reduce contamination of U.S.  
21 cotton;  
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23 b) Urge members to report any incidents of contamination on the NCC website,  
24 reporting PBI and work to develop such technology with NCC and USDA-Agricultural  
25 Marketing Service; and  
26  
27 c) Urge the industry to establish guidelines to identify gins, where contamination is recurring;  
28 further, request the National Cotton Ginners Association to conduct efforts created for the  
29 detection, prevention, and elimination of various plastic contaminants in U.S. raw cotton;  
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31 **19. CMAs & LSAs:**

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33 Urge the federal establishment of a National Lien Registry in order to minimize risk and  
34 optimize time spent performing lien searches noting such tool would assist merchants, gins,  
35 CMAs and LSAs as they pay for cotton, and also potentially expedite the transfer of funds to  
36 growers;  
37

38 **20. COTCO:**

39  
40 Recognizing that the Committee Organized for the Trading of Cotton (COTCO) is the political  
41 action committee of the American Cotton Shippers Association that provides member firms  
42 and their employees a direct voice in the elective process, thereby meriting the full support and  
43 participation of all persons who may contribute, urge that members and their employees  
44 support this important endeavor that is vital to the survival of a competitive cotton market; and,  
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46 **21. MERCHANDISER SUPPORT:**

- 47  
48 a) Commend Congress for working with our industry to include Title 5 Sec 601 – Support for  
49 Cotton Merchandisers included in the Consolidated Appropriations Act, 2023; Urge ACSA  
50 staff to continue working with lawmakers to ensure the aid is only provided to cotton

1 shippers, as they incurred the majority of losses due to the pandemic and supply chain  
2 disruption; and

- 3  
4 b) In times of trade disruption and/or market distress, work with the NCC and Congress to  
5 advocate for federal support that addresses the associated market risks and costs beyond  
6 the farm gate.