

1 **National Affairs Committee**
2 **Adopted at Special Meeting of the ACSA Membership**
3 **January 7, 2025**

4
5 The National Affairs Committee recommends that ACSA:

6
7 **1. COMMODITY PROGRAMS:**

- 8
9 a) Support a Commodity Credit Corporation (CCC) non-recourse marketing loan program for
10 Upland and Extra Long Staple (ELS) cotton;
11
12 b) Support the safety net of domestic support created in the commodity title of the farm bill,
13 and encourage the expansion of export market access and free trade;
14
15 c) Oppose efforts to dilute or modify the effectiveness of domestic farm policy through further
16 limitations or means-testing of eligibility for commodity, conservation, and crop insurance
17 benefits; further, oppose any restrictions on eligibility for farm program participation;
18
19 d) Encourage the U.S. Department of Agriculture (USDA) to administer the ELS Cotton
20 Competitiveness Program through the evaluation of all available quotations in order to best
21 calculate payments on the basis to competing ELS growths;
22
23 e) Regularly engage with American Cotton Producers (ACP) to evaluate and advocate for
24 farm policy measures that strengthen the U.S. cotton sector and promote the interests of
25 ACSA members;
26
27 f) Collaborate with the National Cotton Council (NCC) to work with Members of Congress
28 and their staff during the development of the upcoming farm bill and other relevant
29 legislation to increase the safety net values of cotton to reflect current production costs and
30 market value;
31
32 g) Support the continuance of Special Import Quotas as part of the Special Marketing Loan
33 Provisions for Upland Cotton to ensure U.S. textile mills have adequate supplies of raw
34 cotton; and
35
36 h) With regards to the Adjusted World Price (AWP),
37 i) Utilize the lowest three (3) quotations when calculating AWP;
38
39 ii) Provide flexibility in loan repayment by allowing the selection of the lowest prevailing
40 world market price during the thirty (30) days following the day on which the loan is
41 repaid;
42
43 iii) Restore storage credit values to be commensurate with current market levels;
44
45 iv) Establish a Cost to Market calculation by using the greater of a statutory mandated
46 minimum Cost to Market or survey results; and
47
48 v) Continue to minimize market disruptions around the announcement of Cost to Market
49 changes by providing revised survey results as soon as available but no less than ten

1 (10) business days between the announced and effective dates and publishing during
2 the month in which the loan use is the lowest;

- 3
4 i) Support the most time and cost-efficient development of procedures to ensure the full
5 utility and operations of the Marketing Assistance Loan Program for cotton in the event of
6 a government shutdown, with particular focus on establishing loan redemption procedures;

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8 **2. CONSERVATION PROGRAMS:**

- 9
10 a) Support continued use of voluntary conservation programs that address critical resource
11 concerns through both working lands programs and easement opportunities; and,
12
13 b) Advocate for the development of conservation solutions that do not create market risks by
14 influencing production or consumption trends;

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16 **3. CROP INSURANCE:**

- 17
18 a) Urge Congress and the USDA to continue federal support for the private sector to develop
19 a system of yield and revenue insurance that does not disrupt normal production practices;
20 and
21
22 b) Work with industry stakeholders, the USDA, and private crop insurance organizations to
23 develop policies or products to incentivize the harvest of cotton rather than its abandonment
24 when appraisals create indemnity opportunities;

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26 **4. COTTON SUSTAINABILITY PROGRAMS:**

- 27
28 a) Encourage and support the pursuit of more environmentally sustainable practices and
29 certification programs, such as the U.S. Cotton Trust Protocol, by all members of the cotton
30 supply chain; and
31
32 b) Develop a working group to study and develop ways to create a marketplace for U.S.
33 Cotton Trust Protocol Cotton Consumption Units that streamlines participation and
34 develops value and transparency, engaging industry stakeholders to promote adoption;

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36 **5. IMPROVING COTTON FLOW:**

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

41
42 **6. RECONCENTRATION OF LOAN COTTON:**

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

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48 **7. MARKETING & PROMOTION FUNDING:**

- 49
50 a) Recommend the USDA make full use of the funding authorized by Congress to assist in

1 maintaining and expanding the consumption of U.S. cotton in export markets, particularly
2 through the utility of the Market Access Program and the Foreign Development Program;
3 and
4

- 5 b) To address the decline in demand for cotton brought on by competition from manmade
6 fibers, work with Cotton Board, Cotton Incorporated, Supima, International Cotton
7 Advisory Committee, and other relevant organizations to raise awareness of the positive
8 attributes of cotton and further engage consumers;
9

10 **8. BENEFICIAL INTEREST:**
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12 Recommend members review all “Option to Purchase” contract language for conformity with
13 USDA-Farm Service Agency (FSA) regulations pertaining to “Beneficial Interest” in the
14 cotton to assure that the cotton maintains its eligibility for the loan or for loan deficiency
15 payments;
16

17 **9. SALE OF CCC OWNED COTTON:**
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19 Urge the USDA to promptly list CCC-owned cotton for sale on The Seam’s platform following
20 forfeiture; further, recommend listings of CCC-owned cotton continue to be identifiable in the
21 platform by a distinguishable trading term to aid in offer discovery as well as public
22 transparency of pricing for concluded sales of CCC-owned cotton;
23

24 **10. FARM BARGAINING:**
25

26 Oppose the inclusion of cotton in any legislation designed to regulate the prices of agricultural
27 sales transactions or to permit collective bargaining between a producer and processor for the
28 purpose of establishing prices or the expansion of marketing orders, and further recognizing
29 that the dynamic U.S. cotton marketing system provides producers with competitive bidding
30 for their product, and the pricing mechanism advocated in farm bargaining legislation is
31 unsuitable to the cotton industry;
32

33 **11. CCC WEEKLY LOAN FIGURES:**
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- 35 a) Urge the USDA to continue making a concerted effort to consolidate and keep CCC weekly
36 loan figures current and accurate since trading decisions are based upon this timely
37 information; and,
38
39 b) Encourage CCC to report Loan Service Agent (LSA) and Cooperative Marketing
40 Associations (CMA) cotton entered under Form A and Form G separately;
41

42 **12. RAW COTTON EXPORTS:**
43

44 Oppose all efforts that would restrict or limit foreign market access for U.S. raw cotton exports;
45

46 **13. “MADE IN USA” LABEL:**
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48 Urge Congress to require that the duty free and quota free privileges accorded the U.S.
49 possessions and territories having “Commonwealth” status preclude the use of the “Made in
50 USA” label if the textile products are not manufactured out of U.S.-origin fabric made from

1 U.S.-origin yarn and sewn with U.S.-origin thread; and further urge the strong enforcement of
2 the Berry Amendment requiring that all military uniforms, apparel, and equipment be made in
3 the United States;

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5 **14. COUNTRY OF ORIGIN DESIGNATION:**

- 6
7 a) Urge the Department of Homeland Security Customs and Border Protection, United States
8 Trade Representative, Department of Commerce, and other relevant agencies to accept the
9 Permanent Bale Identification (PBI) as sufficient proof of U.S. origin for a bale of cotton;
10 and,
11
12 b) Urge direct collaboration between relevant agencies and the USDA to affirm the veracity
13 of PBI information;

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

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

21
22 **16. USDA-NASS REPORTING**

23
24 Support the appropriation of funding for or administrative action to reinstate district-level
25 acreage, abandonment, and production reporting in Texas and restore cotton’s Objective Yield
26 survey;

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28 **17. FUNGIBILITY:**

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30 Support the NCC’s Joint QTF / Cotton Flow Committee’s effort to enhance cotton fungibility,
31 including but not limited to the development of a four (4) bale shipping unit;

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33 **18. TRADE FLOW & CONTAMINATION:**

- 34
35 a) Urge collaboration with the NCC to continue efforts to reduce contamination of U.S.
36 cotton;
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38 b) Urge members to report any incidents of contamination on the NCC website including PBI;
39 further work to develop contamination prevention technology with NCC and USDA-
40 Agricultural Marketing Service; and
41
42 c) Urge the industry to establish guidelines to identify gins, where contamination is recurring;
43 further, request the National Cotton Ginners Association to conduct efforts created for the
44 detection, prevention, and elimination of various plastic contaminants in U.S. raw cotton;

45
46 **19. CMAs & LSAs:**

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

1 grower;

2
3 **20. COTCO:**

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

10
11 **21. MERCHANDISER SUPPORT:**

- 12
13 a) Urge Congress to leverage the precedent set by the support for Cotton Merchandisers
14 included in the Consolidated Appropriations Act, 2023 to develop a repeatable delivery
15 mechanism to support merchandisers of U.S. cotton in the event of future macroeconomic
16 disruptions that create market or supply chain disruptions; and
17
18 b) In times of trade disruption and / or market distress, work with the NCC and Congress to
19 advocate for federal support that addresses the associated market risks and costs beyond
20 the farm gate; and

21
22 **22. INCREASING COTTON DEMAND:**

23
24 Develop a policy to incentivize the consumption of U.S. cotton, creating long-term structural
25 demand.