Cotton PCG News
from Plains Cotton Growers, Inc.

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President Proposes Slashing Ag Programs in FY18 Budget; PCG Responds with Ag Groups

Friday, May 26, 2017 By Mary Jane Buerkle

After proposing a “skinny budget” in March that focused on discretionary spending, the Trump Administration released their full comprehensive budget earlier this week, and agriculture seems to be a primary item on the chopping block.

The proposed budget calls for a $240.4 billion reduction in mandatory spending in USDA programs over ten years, a 27.5 percent budget cut. It also works to impose tighter AGI means testing eligibility requirements and indemnity payments.

Some of the most significant and impactful cuts include:

Crop Insurance: $28.562 billion reduction over 10 years (36% reduction), including:

• $40,000 Payment Limit on premium discounts ($16.218 billion reduction over 10 years)

• $500,000 AGI Means Test ($420 million reduction)

• Elimination of premium discounts on the Harvest Price Option: ($11.924 billion reduction)

Commodity Title: Cuts of $653 million over 10 years through the imposition of a $500,000 AGI means test, down from the current $900,000

Conservation Title: Cut by $5.755 billion over 10 years, or 9.6% through "streamlining" programs

Nutrition Title: Cut by $193.287 billion over 10 years (28.7%). Most of that is through reforms to SNAP.

PCG Executive Vice President Steve Verett noted that Congress has the ultimate budget-writing authority.

“That’s why it's imperative that we make our voices heard collectively and individually,” Verett said. “We must continue to communicate the fact that agriculture has done its share of being fiscally responsible with taxpayer dollars, and now is not the time to make these drastic cuts, given the current state of the agricultural economy.”

Ag groups responded swiftly, and Plains Cotton Growers partnered with 12 other Texas agricultural organizations to distribute a letter to the Texas congressional delegation and more than 80 other Members of Congress addressing their disappointment with and opposition to the President’s proposed budget.

“Crippling U.S. farm policy, which is already struggling in cases to meet the need of America's producers, is, quite frankly, reckless,” the organizations said in the letter. “We strongly urge you to reject the President's proposed FY2018 agriculture budget and to ensure that the budget adopted by Congress enables the Agriculture Committees to meet the President's pledge of a strong new Farm Bill passed on time.”

Texas organizations signing on to the letter, found in its entirety at *http://bit.ly/TXAgResponseFY18Budget*, include Plains Cotton Growers, Inc., Corn Producers Association of Texas, Texas Soybean Association, Texas Agricultural Cooperative Council, Texas Grain Sorghum Producers Association, Texas Wheat Producers Association, Texas Cotton Producers, Inc., Texas Grain & Feed Association, Texas Rice Producers Legislative Group, Western Peanut Growers Association, Panhandle Peanut Growers Association, Texas Sheep and Goat Raisers Association, and Texas Poultry Federation.

The Lubbock Chamber of Commerce issued a statement of their own and also sent letters to lawmakers.

“These cuts would be detrimental to the thousands of family farmers in the Lubbock area,” Eddie McBride, Chamber President and CEO, said in a news release. “The Chamber is well aware of the economic challenges agriculture and allied industries in this area face, which will soon translate to challenges for the many and diverse job creators the Chamber represents as well as for area rural communities.”

The Chamber’s full statement can be found at *http://bit.ly/LBKChamberResponseFY18Budget*.

The American Association of Crop Insurers, Crop Insurance and Reinsurance Bureau, Crop Insurance Professionals Association, Independent Insurance Agents and Brokers of America, National Association of Professional Insurance Agents, and National Crop Insurance Services said in a joint statement, "Weakening crop insurance and making it more difficult for farmers to bounce back during tough times will jeopardize rural jobs and will find little support in rural America or on Capitol Hill. The rural economy is already suffering through a period of low prices and a multitude of spring weather disasters. Yet, the Administration's budget proposal targets the primary tool farmers use to handle these risks.”

Their full statement can be found at *http://bit.ly/CropInsurersResponseFY18Budget*.

Our View: The Short Straw for Farmers Once Again

Wednesday, May 24, 2017 From Farm Policy Facts

It's called "A New Foundation for American Greatness," but if the Trump administration's first major budget plan became law, it most assuredly would harm one of our nation's greatest assets: her farmers, ranchers, and agricultural production.

In the midst of one of the worst farm economies in recent history with a 50 percent drop in net farm income, the administration is advocating for policy that would gut the farm safety net and decimate the risk management tools that help farmers and ranchers overcome challenges beyond their control.

Crop insurance – one of the key pillars of the farm safety net and popular with both farmers and policymakers alike because everyone shares in its cost and its benefits – would take a 36 percent hit. Proposed cuts to conservation, rural development, and trade promotion would also hammer rural economies.

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We have noted this fact many times, but it is worth mentioning again: the farm safety net makes up only a quarter of one percent of all federal spending.

Put another way, based on 2017 spending levels, if we eliminated the entire farm safety net, it would take us 1,700 years to pay off the federal debt. That's assuming that we have the fiscal discipline to address the real drivers of the debt and eliminate annual deficits.

Put another way, we spend 38 times more on interest payments on the federal debt than we do on the entire farm safety net and 66 times more than we do on federal crop insurance.

No doubt, budgets entail difficult decisions. And, time and again, farmers and ranchers have answered the call for deficit reduction and doing more with less. The 2014 Farm Bill shaved agricultural spending by $23 billion at the time of passage. It is now slated to save taxpayers more than $100 billion, which is incredible given what our producers are facing with depressed prices, weak exports, and the predatory trade practices of some foreign countries. All the while, consumers continue to go about their business enjoying the highest quality, lowest cost food in the world.

Our investment in agriculture is quite modest. The return is a robust and affordable food supply that is secure and grown right here at home. Defense is a priority for this administration, but it is shortsighted to beef up our military might while diminishing the ability to feed our own citizens.

To that point, it was only two months ago that President Trump was praising the work of our farmers and ranchers for National Ag Day. In a special proclamation, he encouraged all Americans to recognize "the preeminent role that agriculture plays" in our daily lives and the national economy, and to express "deep appreciation" for the folks who feed and clothe us.

It is now clear that these words of deep appreciation were, in this case, a foil for deep cuts to farm policy. It adds insult to injury as the old saying goes. Farmers aren't looking for praise; they're looking for a fair shake. Sadly, in the first round of the Washington budget game, they have come up short on both.

USDA Farm Service Agency County Committee Nomination Period Begins June 15

Thursday, May 25, 2017 From the Farm Service Agency

The U.S. Department of Agriculture announced today that the nomination period for local Farm Service Agency (FSA) county committees begins on Wednesday, June 15, 2017.

"County committees allow farmers and ranchers to make important decisions about how federal farm programs are administered locally to best serve their needs," said Acting FSA Administrator Chris Beyerhelm. "We strongly encourage all eligible producers to visit their local FSA office today to find out how to get involved in their county's election. There's an increasing need for representation from underserved producers, which includes beginning, women and other minority farmers and ranchers."

County committees are made up of farmers and ranchers elected by other producers in their communities to guide the delivery of farm programs at the local level. Committee members play a critical role in the day-to-day operations of FSA. Committees consist of three to 11 members and meet once a month or as needed to make important decisions on disaster and conservation programs, emergency programs, commodity price support loan programs, county office employment and other agricultural issues. Members serve three-year terms. Nationwide there are over 7,700 farmer and ranchers serving on FSA county committees.

Farmers and ranchers may nominate themselves or others. Organizations, including those representing beginning, women and minority producers, may also nominate candidates to better serve their communities. To be eligible to serve on an FSA county committee, a person must participate or cooperate in an agency-administered program, and reside in the local administrative area where the election is being held.

After the nomination period, candidates will encourage the eligible producers in their local administrative area to vote. FSA will mail election ballots to eligible voters beginning Nov. 6, 2017. Ballots will be due back to the local county office either via mail or in person by Dec. 4, 2017. Newly-elected committee members and alternates will take office on Jan. 1, 2018.

To become a candidate, an eligible individual must sign an FSA-669A nomination form. The form and other information about FSA county committee elections are available at *www.fsa.usda.gov/elections*. All nomination forms for the 2017 election must be postmarked or received in the local FSA office by Aug. 1, 2017. Locate your local office at *https://offices.usda.gov* and visit to get more information.

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NCC: Maintaining NAFTA Benefits is Crucial

Friday, May 19, 2017 From the National Cotton Council

The National Cotton Council says the United States must remain a participant in a vibrant North American Free Trade Agreement because it has been and can continue to be a positive trading platform for U.S. agriculture, including cotton and textiles.

NCC Chairman Ronnie Lee said the NAFTA trading partners of Canada and Mexico are significant markets for United States food and fiber exports. With purchases exceeding 1 million bales, Mexico has emerged as one of U.S. raw cotton's top five export destinations, and NAFTA plays a critical role in North America's highly integrated textile and apparel supply chain.

"With 95 percent of U.S. cotton exported in some form, we need positive and stable trading relationships with our international customers to maintain a healthy U.S. cotton sector," said Lee, a Bronwood, Ga., cotton producer.

He stated that as the process of updating and renegotiating NAFTA proceeds, the U.S. cotton industry "urges the Administration to stay involved in this important trade agreement and not weaken current provisions. A strengthening of the textile rules of origin and a modernization of NAFTA can lead to an expansion of jobs and exports for our nation. This is a very sound way to grow our economy."

Editor's Note:
"Cotton News", a weekly service of Plains Cotton Growers to the cotton industry and news media in the 41-county High Plains area, is mailed from Lubbock each Friday. Its contents are confined to news items and comments pertaining to the High Plains cotton industry which is so vital to U.S. all. Anyone interested in making comments about the contents of this column can call 806-792-4904 or Email PCG at: editor@plainscotton.org