

## **President Biden's Executive Order and the Agriculture Industry**

Monday, July 12, 2021

By Whitney Curry

On Friday, July 9, President Joe Biden signed an Executive Order instructing a wide range of activities directed at more than a dozen federal agencies. According to the White House, the order included 72 initiatives that are to promptly tackle some of the most pressing competition problems across the economy including a handful addressing the agriculture industry that are being closely monitored by Plains Cotton Growers, Inc. (PCG).

In the order President Biden directed the Department of Agriculture (USDA), the Federal Trade Commission (FTC) and the Department of Justice (DOJ) to work towards resolving issues under the jurisdiction of the respective agencies and commission. Agricultural issues the new Executive Order address include:

- Directing the USDA to consider issuing new rules under the Packers and Stockyards Act making it easier for farmers to bring and win claims, prevent chicken processors from exploiting and underpaying chicken farmers, and adopting anti-retaliation protections for farmers.
- Directing USDA to consider issuing new rules defining when meat can bear "Product of USA" labels so consumers have accurate, transparent labels enabling them to choose products made here.
- Directs the USDA to develop a plan to increase opportunities for farmers to access markets and receive fair returns, by supporting alternative food distribution systems like farmers markets and developing standards and labels for consumers to identify products that treat farmers fairly.
- And finally, President Biden encouraged the FTC to limit powerful equipment manufacturers from restricting people's ability to use independent repair shops or do DIY repairs on their equipment— such as when tractor companies block farmers from repairing their own tractors.

Overall, the order, signed July 9 encourages leading antitrust agencies to focus their enforcement efforts on

problems in key markets and coordinate other agencies' ongoing response to corporate consolidation.

The order also calls on the Department of Justice (DOJ) and the FTC to vigorously enforce antitrust laws and recognize that the law allows them to challenge prior bad mergers that were not challenged by previous Administrations. Additionally, the order announces a policy that enforcement should focus in particular on labor markets, agricultural markets, healthcare markets, and the technology sector.

Lastly, of interest, the order also includes language that urges the Federal Maritime Commission to ensure strong enforcement against shippers charging American exporters exorbitant charges, an issue that is significantly impacting U.S. agricultural exporters.

PCG will continue to monitor the progress of this Executive Order as they relate to the agriculture industry, keeping you abreast of the issues.

## **Cotton Crop Progresses Across PCG Area**

Friday, July 16, 2021

By Whitney Curry

A warm July has set in across the Texas High Plains with scattered thunderstorms skipping across the region in the past couple of weeks.

Crop progress across the region is varied with cotton not yet squaring to plants that are knee-high and starting to bloom. Most of the variability is due to delayed planting caused by producers waiting on planting moisture. Most areas of the High Plains indicate the crop is a week to ten-day behind as most would like to be seeing blooms by this point in July. Though growers are thankful for the recent rains, prayers for open weather, heat units and a good September to finish out the season are prevalent when talking to growers from across the High Plains.

Growers continue to manage and spray for weeds, as availability and cost of herbicides remains a concern. The overall sentiment from the PCG Plains Cotton Advisory Group meeting this morning was that producers are working through the issues this season with some adjusting their herbicide regimens based on product availability.

On the bright side, minimal concerns about insects have been reported so far. However, Dr. Suhas Vyavhare, extension entomologist with the Texas

A&M AgriLife Extension Service in Lubbock, reported that cotton fleahoppers are being seen and warned producers to keep a close eye at insect numbers and the square retention. He noted the suggested treatment threshold for cotton fleahopper is 25-30 fleahoppers per 100 terminals.

The market continues to go up, even with recent rains which has been contributed to a demand driven market. At press time the December 2021 futures are trading at 89.81.

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### **PCG Holds Quarterly Board Meeting**

Wednesday, July 14, 2021

By Whitney Curry

Plains Cotton Growers, Inc. (PCG) held its quarterly board meeting at the FiberMax Center for Discovery, with approximately 60 PCG leadership, directors, staff, and guests in attendance.

PCG president Brent Nelson, of Sudan, presided over the meeting. A mood of cautious optimism was prevalent among those in attendance as all expressed thanks for the recent rains and expressed optimism for the crop this year.

During the meeting Keith Lucas, the vice president of marketing at Plains Cotton Cooperative Association, gave an in depth look into the most recent cotton market report, prospects for cotton demand, and prices later in the season. He noted that world consumption continues to recover from the COVID-19 pandemic with demand almost back to pre-pandemic levels.

When discussing the U.S. outlook, Lucas reported the July World Agricultural Supply and Demand Estimates (WASDE) report projects an increase in U.S. exports from 14.80 million bales to 15.20 bales since the June WASDE report.

Lucas added that due to the strength in demand, prospects for a larger U.S. crop have not adversely impacted prices for new crop cotton. He said with prices now in the mid-to upper 80-cent range there is a pricing opportunity that growers should be looking to take advantage of. He noted that cotton futures have only been above 80 cents, 33% of the time in the last 10 years and only 17% since 2014, making this a rare opportunity to lock in prices at these levels.

Tas Smith, vice president of producer affairs with the National Cotton Council (NCC) provided the crowd with an update of NCC's recent activities and provided a rundown of current and prior COVID-19 relief programs, as well as agriculture and climate policy

updates. He concluded his presentation with a discussion of the U.S. Cotton Trust Protocol.

During his report Smith noted that the Coronavirus Food Assistance Payments (CFAP) 2.0 payments have been fully disbursed and noted that the Wildfire and Hurricane Indemnity Program Plus (WHIP+) 2018 payments have been completed and disbursement of the last portion of 2019 payments is underway. He mentioned that there is a continued push for WHIP+ to be extended to cover 2020 and 2021 losses.

Rounding out the meeting was Tom Sell, co-founder and manager of Combest, Sell & Associates. Sell provided an extensive update on the current situation in Washington D.C.

Sell said ensuring agriculture interests are protected in upcoming legislative efforts, means the industry will need to continually be actively engaged on a broad array of negotiations, ranging from tax policy to climate, in the coming months.

Sell concluded his presentation by stating that as an industry, agriculture continues to do a great job promoting the value of agriculture and gaining support for its priority issues in Washington D.C.

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### **Advocacy Efforts Express Concern on Tax Provisions with Transportation and Infrastructure Package**

Friday, July 16, 2021

By Whitney Curry

This past week Plains Cotton Growers, Inc. (PCG), along with several other Texas agriculture groups, signed onto a letter expressing opposition to the use of tax policy provisions as cost offsets for the transportation and infrastructure package currently being negotiated in Congress. To view the letter, visit <https://bit.ly/3wJ83oo>.

It is stated in the letter that while the groups recognize the importance of improving our nation's infrastructure, the cost should not come at the expense of our state's agriculture producers. To ensure that Texas farmers and ranchers continue to be economic drivers in our rural communities, it is vital to maintain tax provisions which safeguard the viability of family-owned agricultural businesses today and for future generations, according to PCG CEO Kody Bessent.

As the negotiation process of the transportation and infrastructure package moves through Congress, PCG will actively monitor and oppose proposals that will raise taxes on agricultural.

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**Editor's Note:**

"Cotton News", a weekly service of Plains Cotton Growers to the cotton industry and news media in the 42-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