

House Agriculture Committee Marks Up 2020 WHIP+ Reauthorization Act

Friday, July 30, 2021

By Whitney Curry

The House Agriculture Committee met July 27 to discuss, and advance, H.R. 267, the 2020 WHIP+ Reauthorization Act. The bill, sponsored by Congressman Mike Thompson (CA-05) and 17 co-sponsors, was unanimously approved by the committee in a bipartisan effort and sets the stage for attaching the legislation to a must pass bill before the end of the year.

In his opening comments, Chairman David Scott (GA-13) stated, “Following Hurricane Irma in 2017, that hit my home state of Georgia, I worked with my partners, Congressman Sanford Bishop (GA-2) and Congressman Austin Scott (GA-8) to secure assistance for our producers. Unfortunately, because there was not a disaster program in place, farmers had to wait almost two years to get the assistance they needed.” Scott added, “I have long said that we need a mechanism in place that can get aid to producers immediately after disasters strike. The severity of these disasters has required supplemental assistance, and that’s why I have prioritized extending the Wildfire and Hurricane Indemnity Program Plus for 2020 and 2021.”

During the hearing Chairman Scott and Ranking Member Glenn “GT” Thompson (PA-15) praised the efforts of Congressman Ronny Jackson (TX-13) and Congressman Henry Cuellar (TX-28) for introducing H.R. 1692, the RESTORE Act, which provided several key components incorporated into H.R. 267. Many of the ideas originally proposed in the RESTORE Act and added into H.R. 267 will be beneficial for cotton producers.

“Plains Cotton Growers, Inc., (PCG) greatly appreciates the leadership of House Agriculture Committee Chairman David Scott and Ranking Member Glenn “GT” Thompson for advancing H.R. 267, the 2020 WHIP+ Reauthorization Act. PCG is proud to support this legislation and looks forward to working with Congress to enact this needed relief for agriculture” said PCG CEO Kody Bessent.

H.R. 267, the 2020 WHIP+ Reauthorization Act, as amended requires the Secretary of Agriculture to

extend the WHIP+ program for the 2020 and 2021 calendar years. Some of the key improvements H.R. 267 makes to the WHIP+ program that will benefit cotton and other covered crops are discussed below.

Administrative Improvements:

- Authorizes \$8.5 Billion in total appropriations for 2020 and 2021. Additionally, it allows the Secretary to use funds to:
 1. Streamline the application process,
 2. Utilize information technology to electronically transfer data between the Risk Management Agency (RMA) and the Farm Service Agency (FSA),
 3. Reduces workload in county offices related to implementation, and
 4. Allows crop insurance agents to provide application information on behalf of insured producers.
- In calculating program payments, the Secretary shall net out crop insurance indemnities, less any insurance premiums paid by the producer.
- Clarifies that all insured acreage shall be eligible for the program, regardless of whether such acreage is the initial acreage or not (*J Code fix*).
- Further clarifies, the Secretary shall make payments with respect to qualified losses of unharvested acres of a covered crop in the same manner as payments are made with respect to eligible crop losses under the non-insured crop assistance program.
- In general, payment limitations are left unchanged from the previous WHIP+ program, with the following exceptions:
 - In the case of a specialty crop or high value crop as determined by the Secretary, the payment limitation will be subject to the limitation in effect for the initial WHIP 2017.
 - Provides that the Secretary determines the average adjusted gross income and average adjusted gross farm income for payment limitations based on 2017, 2018, and 2019 tax years.
 - Payment limitations are applied separately for 2020 and 2021; and

- The Secretary shall apply rules for payment limits to a corporation, limited liability company, limited partnership, trust or estate in a manner as done under the Coronavirus Food Assistance Program (CFAP).

Qualified Cause of Loss:

- The legislation maintains all qualifying causes of loss included from the 2018 and 2019 USDA WHIP+ program and includes the following causes of loss for 2020 and 2021:
 - High winds, derechos, excessive heat, or freeze (including a polar vortex).
 - In the instance of drought, producers will be eligible if they are in a county that receives a Secretarial disaster designation triggered when, during the growing season, any portion of a county meets the D2 (Severe Drought) drought intensity value for eight consecutive weeks or receives a drought intensity value higher than D2 for any length of time as reported in the U.S. Drought Monitor. Additionally, the drought designation would include contiguous counties.
 - Other disruptions (including power outages or curtailments) that are associated with the effects of a qualified disaster event; and
 - Specifically for smoke tainted wine grapes, the loss (including a quality loss) due to wildfire.

As H.R. 267 continues to make its way through Congress, PCG stands ready to work with members ensuring the program is enacted efficiently and effectively in order to provide needed assistance to agriculture to help mitigate losses from recent disaster events.

PCGs' Mark Brown Discusses High Plains Crop Progress with Farm Press

Thursday, July 29, 2021 By Shelley Huguley

Mark Brown, director of field services with Plains Cotton Growers, Inc. visits with Farm Press on the progress of the Texas High Plains cotton crop, weeds, and discusses how to determine when it is time to apply a plant growth regulator (PGR).

To read the full article and watch the video, visit <https://bit.ly/2VeW4Sl>.

COTTON SPIN: Cotton Production Outcome Yields Price Uncertainty

Monday, July 26, 2021 By Dr. John Robinson

The July WASDE report tightened up the U.S. cotton supply and demand picture just a little more. Their adjustments to the 2021 U.S. crop included some offsetting adjustments to production. First, they updated the planted acreage number, using the 11.72 million planted acres result from the June 30 Acreage report.

Then USDA made a rather large adjustment, dropping their previously assumed 20% abandonment forecast to an historically low 10% U.S. abandonment. They presumably did this because of all the moisture in Texas and elsewhere. But they are making a notable assumption that the moisture and associated cooler temperatures will be a net benefit. The cost of that cooler weather is delayed crop development in the Plains and crop maturity in South Texas. So, there is an underlying assumption that the crop will get enough heat units and idyllic maturation weather during the maturity period.

The last notable adjustment was that USDA lowered expected average U.S. cotton yield by 33 pounds per acre. That is a big downshift month-over-month. It assumes that the lower abandonment means a lot of low-yielding Texas dryland will get harvested, pulling down the U.S. yield average. The flip side of that assumption is if West Texas gets a mix of heat units and timely moisture going forward, plus idyllic September/October, then yields might be higher than expected.

I submit that there is room for price volatility in both directions as the current balance sheets gets updated. The three-something million bale ending stock outcome that is currently projected should support futures in the current 80 cent range. Going forward, any surprises in the form of lower production from inadequate heat units, flooding, tropical storm damage, inadequate maturation, an early freeze or messy harvest season could push prices into the 90s. On the other hand, a few million extra bales from a good growth, maturation, and harvest conditions could pressure prices a bit in the early fall.

For additional thoughts on these and other cotton marketing topics, please visit Dr. Robinsons weekly online newsletter at <https://cottonmarketing.tamu.edu>.

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