
House Passes \$3.5 Trillion Budget Resolution

Friday, August 27, 2021 From Cotton's Week

The House returned briefly from the August recess to vote on the Senate-passed FY22 budget resolution. The \$3.5 trillion resolution passed on a party line vote and now unlocks the budget reconciliation process.

The budget measure instructs various committees in the House and Senate to draft their individual components of the reconciliation bill that ultimately will be combined and voted on by the House and Senate later this fall. For the agriculture committees, the resolution calls for \$135 billion in spending on policy areas including climate, conservation, drought and wildfire resiliency, rural development, nutrition, and debt relief.

Committees were instructed to complete their work by September 15. This work will take place over the next several weeks with the Senate returning the week of September 13 and the House returning the week of September 20.

Additionally, the House approved a rule that stipulates the chamber will consider the Infrastructure Investment and Jobs Act by September 27. This physical infrastructure bill passed the Senate previously on a bipartisan vote.

NCC Board Gets Issues Update

Friday, August 27, 2021 From Cotton's Week

At the 2021 National Cotton Council (NCC) Mid-Year Board of Directors Meeting in Memphis, TN, NCC Chairman Kent Fountain updated attendees on various policy, trade, environmental and regulatory issues affecting the industry's ability to compete in the global marketplace.

The Georgia ginner/producer said seeking economic relief from COVID continued to be a NCC priority. Among actions he noted were: 1) engaging with USDA on the implementation process for payments to producers and assistance to textile mills, 2) continuing to advocate with USDA for assistance to cotton merchandisers to offset a portion of COVID losses, 3) asking Senate leadership to include in the

U.S. Innovation and Competition Act strong domestic procurement provisions for personal protection equipment products by major government purchasers and requesting long-term federal contracts that will help provide textile manufacturers with the certainty needed to justify further investments and facility modifications to produce these products, and 4) working with the Administration, Congress and other organizations to ensure that COVID-related programs, such as the Paycheck Protection Program and the Economic Injury Disaster Loan program, were available to producers and others in agriculture.

Fountain also reported on NCC actions in the areas of disaster relief, labor reform, climate change, agriculture tax policy, federal appropriations, trade policies, shipping/other cotton flow concerns, preserving the Navigable Waters Protection Rule and other environmental issues, and sustainability/increased U.S. Cotton Trust Protocol participation.

Rep. David Kustoff (R-TN), the open session's keynote speaker, told participants that he continues to advocate for better trade policy and on other issues of concern to U.S. cotton industry. Among actions he noted were 1) his signing onto a letter to the Federal Maritime Commission asking that ocean carriers be held accountable for supply chain/port congestion and 2) urging the EPA and Corps of Engineers to keep intact Clean Water Act changes that were made in the 2020 Navigable Waters Protection Rule under the Trump Administration.

Reece Langley, the NCC's vice president, Washington Operations, briefed attendees on key legislative and regulatory issues, including negotiations and outlook for infrastructure legislation and the budget reconciliation process in Congress this fall.

Langley reported that while the \$1.2 trillion bipartisan infrastructure bill that passed the Senate ultimately is expected to clear the House this fall, the outlook for the \$3.5 trillion budget reconciliation package is less clear given the reluctance of moderate democrats to support the spending level. Various House and Senate committees, including the

agriculture committees, are preparing their package components to be combined and voted on in late September or October.

Langley also reviewed ongoing legislative efforts in both the House and Senate to extend the WHIP+ disaster assistance program to cover crop losses in both 2020 and 2021, with passage anticipated late this year as part of a broader government funding measure. Regarding trade, Langley discussed the China trade relationship and the upcoming World Trade Organization Ministerial Conference scheduled for late November. He noted that among other issues facing the industry are EPA and Corps of Engineers work to rewrite the current Navigable Waters Protection Rule (WOTUS) and ongoing challenges with pesticide re-registrations and court challenges. He also provided an update on the current agriculture appropriations bill for FY22 and the current status of Administration nominees for USDA and the U.S. Trade Representative.

Jody Campiche, the NCC's vice president, Economics & Policy Analysis, reported that world cotton demand has recovered but there are potential downside risks related to the outbreak of the Delta variant. Tighter world stocks are expected for the 2021 crop year.

Campiche noted that with current low inventories of U.S. cotton, 2021 exports will be dependent on the U.S. crop's size. Given current crop conditions, that crop could be larger than the latest USDA estimates if favorable weather conditions occur throughout the Cotton Belt. Low U.S. stocks could continue to support higher futures prices over the next few months. However, continued strength in cotton prices could lead to a rationing of demand, which could include a shift to lower priced man-made fiber.

Campiche said USDA has estimated U.S. mill use of 2.5 million bales for the 2021 marketing year, which is still below pre-COVID levels but based on the NCC monthly mill use survey, the monthly annualized rate is running slightly higher at 2.6 million bales. She said U.S. consumer spending on clothing and clothing accessories has recovered significantly to a record level in June 2021 and total sales volume in July is 17.5% higher than prior to the pandemic.

Mark McKean, chairman of the American Cotton Producers (ACP) and an ex officio member of the Committee for the Advancement of Cotton (CAC)

Steering Committee, reported that as of August 20, CAC had reached 43% of its 2021 fundraising goal and just completed a very successful auction in conjunction with the Summer ACP Meeting. The California producer urged industry members to consider contributing to help the CAC achieve its fundraising goal as substantial CAC reserves will be critical to the industry's success with the 2022 elections approaching.

Upcoming Events:

Texas A&M AgriLife Panhandle District QuickBooks Pro Desktop Short Course

Wednesday, September 8, 2021

Texas A&M AgriLife Extension Center, Lubbock
Contact Lacreacia Garza (806) 677-5625 or
dljones@ag.tamu.edu

West Texas Agricultural Chemicals Institute Annual Conference

Tuesday, September 14, 2021

FiberMax Center for Discovery, Lubbock
<http://wtaci.org>

U.S. Cotton Trust Protocol Enrollment Webinars Begin This Month

Friday, September 3, 2021 By National Cotton Council
Mark your calendars! Grower enrollment webinars for the U.S. Cotton Trust Protocol begin Tuesday, **September 14**, at 8:00 a.m. CST.

Visit <https://bit.ly/3n1O8zx> to reserve your virtual seat today and share with growers in your network who might be interested.

Attendees will learn how the Trust Protocol helps U.S. growers meet the changing demands from their end customers by documenting and verifying the sustainability practices and advances already incorporated into U.S. cotton farms. The webinar will also detail how the program enables U.S. cotton growers to prove their sustainable stewardship and drive commitment to continuous improvement.

If you're unable to make this webinar, the next session is Wednesday, September 29, at 8:00 am CST.

For questions, please reach out to the Grower Helpdesk at growers@trustuscotton.org and be sure to follow the Trust Protocol on Facebook and Instagram for the latest updates.

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