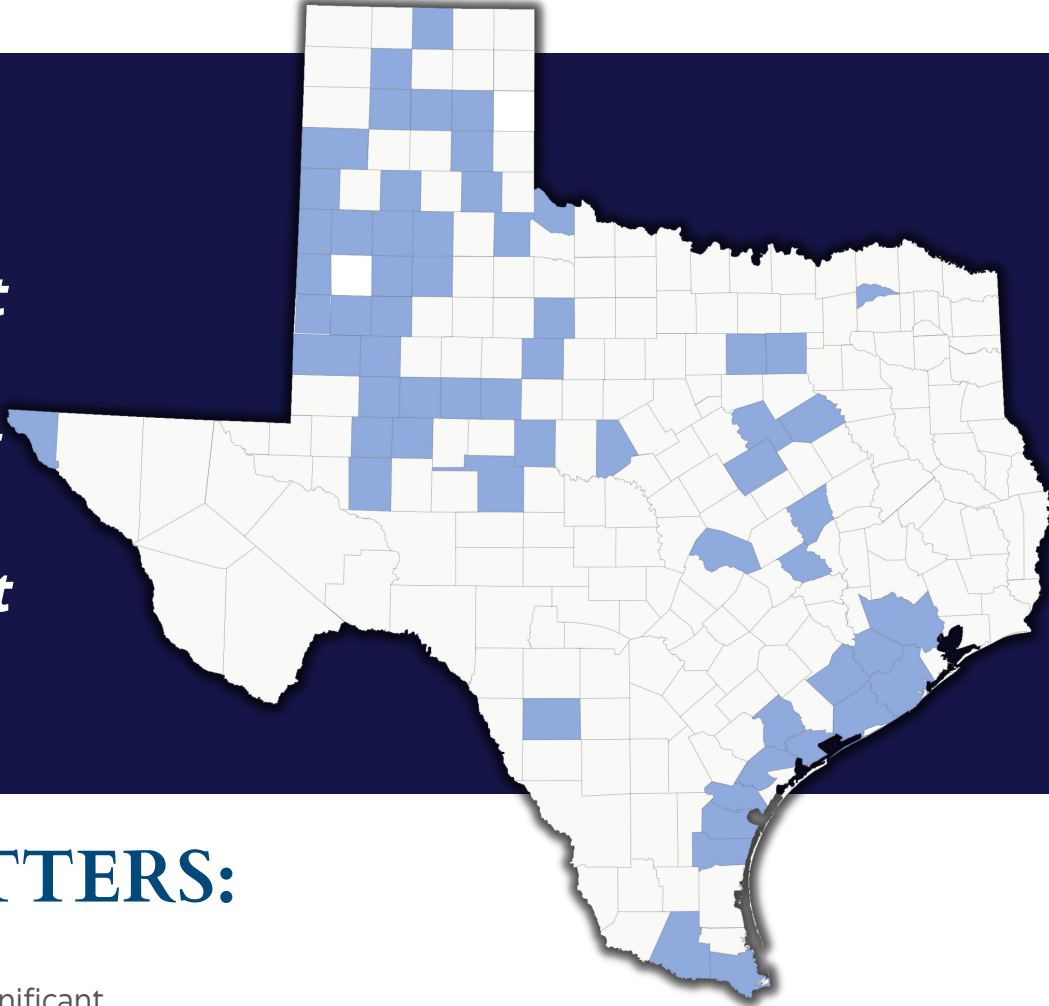


# SUPPORT FOR COTTON INFRASTRUCTURE

**173 cotton infrastructure entities and support organizations from 56 counties support the Agricultural Disaster Relief Grant Budget Rider**



## WHY IT MATTERS:

- Texas suffered the most significant weather-related damage to crops of all U.S. states with over \$6.4 billion in incurred losses – \$2.9 billion in damages to cotton due to 2022 drought conditions.
- Texas planted 7.7 million acres of cotton in 2022 and failed 3.75 million acres for an abandonment rate of 49.7%. The High Plains abandoned 72.3% of cotton acreage in 2022.

*"2022 was one of the harshest growing years seen in recent times impacting the cotton industry at large."*

Kody Bessent  
Plains Cotton Growers, Inc. CEO

### **Where would the funding come from?**

It is important to note that the rider is a one-time grant that **does not use funds from general revenue**. Funds appropriated for this rider are derived from the Coronavirus Relief State Fiscal Recovery Fund established under the American Rescue Plan Act of 2021.

**"How Drought Cost America's Cotton Industry Billions"**



Scan QR code with smartphone to watch story.

April 4, 2023

The Honorable Joan Huffman  
Chairwoman  
Senate Committee on Finance

The Honorable Greg Bonnen, M.D.  
Chairman  
House Committee on Appropriations

RE: Sen. Charles Perry/Rep. Cecil Bell - Agricultural Disaster Relief Grant Budget Rider

Dear Chairwoman Huffman and Chairman Bonnen:

The undersigned cotton infrastructure and agricultural organizations strongly urge you and your colleagues to **support the Agricultural Disaster Relief Grant Budget Rider** as proposed by Chairman Charles Perry (R-Lubbock) and Article VI, VII and VIII Subcommittee Vice Chairman Cecil Bell (R-Magnolia).

**It is important to note that the Agriculture Disaster Relief Grant Rider is a one-time only grant and does not use funds from general revenue.** Funds appropriated for this rider are derived from the Coronavirus Relief State Fiscal Recovery Fund established under the American Rescue Plan Act of 2021. The rider-grant standards meet the necessary requirements to qualify for and use the specified funds.

The severity of the drought of 2022 has created a substantial amount of financial strain and distress on the cotton industry, specifically cotton infrastructure, due to a lack of production or throughput at the cotton gin level. According to recent analysis by the American Farm Bureau Federation, Texas suffered the most significant weather-related damage to crops of all U.S. states with over \$6.4 billion in incurred losses. These losses are primarily made up of \$2.9 billion in damages to cotton in 2022 mainly because of widespread exceptional drought conditions.

Furthermore, according to the USDA 2022 crop acreage certification data (578 data), Texas planted 7,722,964 acres of cotton in 2022, and failed or did not take to harvest 3,775,591 of those acres — creating an abandonment rate of 49.7%. Compare that to the High Plains region (where on average 60% of all cotton is grown in Texas) experiencing a 72.3% acreage abandonment rate in 2022. This surpasses 2011 failed acreage, the former benchmark for historic drought.

Annual fixed costs associated with operating a cotton gin can range from \$400,000 for smaller (lower volume) operations to \$1,000,000 or more for larger (multi-locational, higher volume) operations. These fixed costs include only the costs of payroll and associated benefits for full-time and year-round employees, property and workers compensation insurance, non-production utilities, routine maintenance on equipment and rolling stock, and administration.

Assistance through the Agriculture Disaster Relief Grant Rider would help with the aforementioned fixed costs. It would not make gins or other infrastructure profitable, nor is it designed to do so. However, it would provide the cash flow necessary to maintain jobs and facilities, and fill most of the working capital hole created by the drought of 2022.

We greatly appreciate your consideration and support of this very important rider. If adopted, it will go a long way toward maintaining the financial health and viability of the cotton industry until a permanent risk management solution for cotton infrastructure can be developed at the federal level.

Sincerely,

**Cotton Infrastructure**

Adobe Walls Gin, LP, Spearman, Texas  
Amarillo Cotton Warehouse, Amarillo, Texas  
Americot Inc. Lubbock, Texas  
Arvana Gin Co., Lamesa, Texas  
Associated Cotton Growers, Crosbyton, Texas  
Ballinger Cotton Warehouse, Ballinger, Texas

Barta Gin, Damon, Texas  
Barwise Gin, LLC., Floydada, Texas  
Bayside-Richardson Co-op Gin, Woodsboro, Texas  
Big Spring Gin, Big Spring, Texas  
Birome Gin Co., Inc, Birome, Texas  
Blackland Coop Gin, Granger, Texas  
Brazos Bottom Gin, Caldwell, Texas  
Brownfield Farmers Gin, LLC, Brownfield, Texas  
Buster's Gin, Ropesville, Texas  
Caprock Gin, Inc., Ralls, Texas  
Carson County Gin, LLC, White Deer, Texas  
Central Rolling Plains Coop Gin, Roscoe, Texas  
Circle H Inc. DBA Paducah Gin, Paducah, Texas  
Citizens-Shallowater Co-op Gin, Shallowater, Texas  
City Gin Warehouse, Abernathy, Texas  
City Gin, Abernathy, Texas  
Clay's Corner Gin, Inc. Muleshoe, Texas  
Coastal Bend Co-op Gin, Corpus Christi, Texas  
Coastal Plains Cotton Company, Mathis, Texas  
Cotton Center Famers Co-op Gin, Cotton Center, Texas  
County Wide Cotton Gin, Lockney, Texas  
D&J Gin, Inc., Lockney, Texas  
Donley County Gin, Leila Lake, Texas  
ECOM USA, LLC, Dallas, Texas  
ECOM USA, LLC, Lubbock, Texas  
Ericksdahl Coop Gin, Avoca, Texas  
EdCot Co-op Gin, Odem, Texas  
Estelline Co-op Gin, Estelline, Texas  
Fairchild Farmers Coop Gin, Richmond, Texas  
Farmers Co-op Anson, Anson, Texas  
Farmers Co-op Gin, Snyder, Texas  
Farmers Co-op Society No. 1, Wellington, Texas  
Farmers Co-op Society of Radium, Radium, Texas  
Farmers Co-op Society of Stamford, Stamford, Texas  
Farmers Coop Gin of Ackerly, Ackerly, Texas  
Farmers Coop Society of Chillicothe, Chillicothe, Texas  
Farmers Cooperative Association #1, Tahoka, Texas  
Farmers Cooperative Association of Stanton, Big Spring, Texas  
Farmers Cooperative Compress – High Plains Plant, Amarillo, Texas  
Farmers Cooperative Compress – Levelland Plant, Levelland, Texas  
Farmers Cooperative Compress – Lubbock Plant, Lubbock, Texas  
Farmers Cooperative Compress – Plainview Plant, Plainview, Texas  
Farmers Cooperative Compress – Stanton Plant, Stanton, Texas

Farmers Cooperative Compress – Sudan Plant, Sudan, Texas  
Farmers Gin & Grain Co. Abbott, Texas  
Farmers Tuco Gin, Abernathy, Texas  
Five Points Gin, Inc. Seagraves, Texas  
Flower Grove Coop Gin, Ackerly, Texas  
Floydada Co-op Gins, Inc., Floydada, Texas  
Friona Farmers Co-op Gin, Friona, Texas  
G&P Seed Co., Inc., Aquilla, Texas  
Glasscock County Co-op Gin, Garden City, Texas  
Glasscock County Co-op Warehouse, Garden City, Texas  
Gregory Co-op Gin, Gregory, Texas  
Gulf Coast Cooperative, Robstown, Texas  
Gulf Compress, Corpus Christi, Texas  
Hale Center Gin, LLC., Hale Center, Texas  
Haskell Co-op Gin, Haskell, Texas  
Haskell Cotton Warehouse, Haskell, Texas  
Haskell County Gin, LLC., Haskell, Texas  
Hwy 67 Gin, Miles, Texas  
Idalou Cooperative Gin Co., Idalou, Texas  
King-Mesa Gin, Inc. Lamesa, Texas  
King Ranch Gin, Kingsville, Texas  
Leona Valley Gin, LLC, Batesville, Texas  
Lone Star Farmers Cooperative, Mereta, Texas  
Lonestar Gin LP, Pampa, Texas  
Long “S” Gin, Levelland, Texas  
Longworth Cooperative Gin, Roby, Texas  
Lubbock Cotton Growers, Lubbock, Texas  
Maple Co-op Gin, Maple, Texas  
Meadow Farmers Co-op Gin, Meadow, Texas  
Memphis Farmers Gin Co., Inc., Memphis, Texas  
Midkiff Farmers Co-op, Midkiff, Texas  
Moore County Gin, LLC, Dumas, Texas  
Moreman Community Gin Association, Port Lavaca, Texas  
Needmore Gin, Inc. Meadow, Texas  
New Home Co-op Gin, New Home, Texas  
New-Tex Gin, Plains, Texas  
North Gin, LTD., Dimmitt, Texas  
O’Brien Coop Gin, O’Brien, Texas  
Oasis Gin, Inc. Seminole, Texas  
Oasis Warehouse LLC, Seminole, Texas  
Owens Coop Gin, Ralls, Texas  
Parmer County Cotton Growers, Farwell, Texas  
Payne Gin & Ag, LLC, Thrall, Texas

Petersburg Co-op Gin, Petersburg, Texas  
Pioneer Gin, Inc., Seminole, Texas  
Plains Cotton Cooperative Association – Big Spring Plant, Big Spring, Texas  
Plains Cotton Cooperative Association – Lubbock Plant, Lubbock, Texas  
Plains Cotton Cooperative Association – Rule Plant, Rule, Texas  
Plains Cotton Cooperative Association – Sweetwater Plant, Sweetwater, Texas  
Powell Gin & Ag, LLC, Bynum, Texas  
PPF Gin & Warehouse, LLC, Cooper, Texas  
Producer’s Coop Gin, Colorado City, Texas  
Punkin Center Gin, Lamesa, Texas  
PYCO Industries, Inc., – Lubbock Plant, Lubbock, Texas  
PYCO Industries, Inc., – Sweetwater Plant, Sweetwater, Texas  
PYCO Industries, Inc., – Waco Plant, Waco, Texas  
Quarterway Cotton Growers, Plainview, Texas  
Ross Gin Co, Mercedes, Texas  
Rotan Gin Co., Rotan, Texas  
Rule Co-op Gin, Rule, Texas  
Seminole Service Gin, Inc., Seminole, Texas  
Service Gin, Inc., Plainview, Texas  
Smith Gin Co-op, Odem, Texas  
Southwest Cotton Growers Gin, Wellman, Texas  
Spade Coop Gin, Inc., Spade, Texas  
Springlake-Earth Cotton Growers Gin, Springlake-Earth, Texas  
Street Community Gin, LTD., Kress, Texas  
Sunbelt Warehouse, LLC, Fort Worth, Texas  
Sunbelt Warehouse, LLC, Houston, Texas  
Suncot Gin, LLC, Denver City, Texas  
Suncot Warehouse, Denver City, Texas  
Taft Gin & Seed Co., Inc., Corpus Christi, Texas  
Tavener Gin & Grain, LLC, East Bernard, Texas  
Ten-Hi Gin, Inc., Loop, Texas  
Texas Cotton Growers Cooperative Association, Taylor, Texas  
Texas Producers Cooperative, Amherst, Texas  
Texas Producers Cooperative, Sudan, Texas  
Texas Star Co-op Gin – Acuff Plant, Acuff, Texas  
Texas Star Co-op Gin – Union Plant, Slaton, Texas  
Texas Star Co-op Gin – Wilson Plant, Wilson, Texas  
The Gin @ Palacios, Palacios, Texas  
Top Of Texas Gin, Hereford, Texas  
TriCounty Producers Co-op, Loop, Texas  
Tinsley Gin, Inc., Welch, Texas  
True Cooperative Gin, Bishop, Texas  
Tule Creek Gin, Tulia, Texas

United Agricultural Cooperative Inc., El Campo, Texas  
United Cotton Growers Cooperative, Levelland, Texas  
United Gin Corporation, Lamesa, Texas  
Valley Co-op Oil Mill, Harlingen, Texas  
Valley Gin Company, Tornillo, Texas  
Wall Co-op Gin, Wall, Texas  
Waterloo Gin, LLC, Taylor, Texas  
Weinert Gin, Weinert, Texas  
Welch Gin, Inc., Welch, Texas  
Wells Farmers Co-op Gin, O'Donnell, Texas  
West Gaines Seed Inc., Lubbock, Texas  
West Gin, LLC, Brownfield, Texas  
Westbrook Valley Gin Co., Inc., Hearne, Texas  
WesTex Cooperative Gin – O'Donnell Plant, O'Donnell, Texas  
WesTex Cooperative Gin – Slaton Plant, Slaton, Texas  
Willingham Southwest Gin, Morton, Texas  
Wingate Gin Corp., Wingate, Texas  
Woolam Gin, O'Donnell, Texas  
XIT Gin, Muleshoe, Texas  
Yoakum County Cooperative Gin, Plains, Texas

### **Cotton Support Organizations**

AgTexas Farm Credit Services, Lubbock, Texas  
Blackland Cotton & Grain Producers Association, Aquilla, Texas  
Capital Farm Credit ACA, Bryan, Texas  
CoBank, Lubbock, Texas  
Cotton and Grain Producers of the Lower Rio Grande Valley, Harlingen, Texas  
El Paso Valley Cotton Association, Clint, Texas  
First National Bank, Rotan, Texas  
Plains Cotton Growers, Inc. Lubbock, Texas  
Rolling Plains Cotton Growers, Inc., Stamford, Texas  
Saint Lawrence Cotton Growers Association, Midland, Texas  
South Texas Cotton & Grain Association, Victoria, Texas  
Southern Rolling Plains Cotton Growers Association, San Angelo, Texas  
Texas Agricultural Cooperative Council, Round Rock, Texas  
Texas Cotton Association, Dallas, Texas  
Texas Cotton Ginners' Association, Round Rock, Texas  
Texas Cotton Producers, Inc., Round Rock, Texas  
Texas Independent Ginners Association, Brownwood, Texas  
Trans-Pecos Cotton Association, Coyanosa, Texas