

# 2024 National Cotton Council Report to Members

*Highlights NCC work on key cotton issues during 2023.*



The Memphis-based National Cotton Council communicates united industry positions on various issues to appropriate government bodies and works for U.S. policy that assures worldwide competitiveness and protects member's income. The NCC has compiled an impressive record of advocacy for an industry in which farms and businesses directly involved in the production, distribution and processing of cotton employ more than 115,000 workers and produce direct business revenue of more than \$22 billion. Accounting for the ripple effect of cotton through the broader U.S. economy, direct and indirect employment surpasses 260,000 workers with economic activity of almost \$100 billion.

This report is sponsored by Farm Credit.



# Joint Message from the Chairman and the President

Throughout 2023, the National Cotton Council (NCC) placed great emphasis on ensuring U.S. cotton's voice was heard. Leadership from all seven segments of the NCC were diligently involved on many fronts ranging from trade to environmental issues, however, our top priority was and continues to be the development of the new farm bill.

Efforts included industry leaders meeting face-to-face with key Congressional leaders and testifying at Congressional farm bill hearings. NCC reinforced those actions by signing onto letters to lawmakers as a member of multiple agricultural coalitions.

With many provisions of the existing farm bill set to expire at the end of 2023, the House and Senate leadership extended the 2018 farm bill for another year. This extension gave U.S. cotton producers certainty and support for this year's planting season. The NCC will continue to actively work with the House and Senate Agriculture Committees to secure a 5-year farm bill as quickly as possible in 2024.

The NCC also vigorously communicated with Congress on the need for adequate FY24 funding for the Market Access Program and Foreign Market Development. We also sought funding for boll weevil eradication and for USDA studies in such vital areas as fiber quality, production agronomic systems/pest management, sustainability, germplasm/genetic studies, textiles and for research at the three ginning laboratories.

In the trade arena, the NCC remained proactive on several initiatives aimed at elevating our commodity's global reputation. The NCC staff and our leadership pushed back on efforts to undermine the trade relationships with CAFTA-DR and USMCA partners. The two-way trade of cotton, cotton yarns, fabrics and textile products within the Western Hemisphere is critical to the health of our domestic textile industry. We will continue to work to preserve the beneficial provisions of those agreements.

The NCC also continued to monitor the overall trade relationship between the United States and China. Chinese mills remain important export customers for the U.S. cotton industry. China also exports a significant amount of cotton textile and apparel products to the United

States. Those products coming into the U.S. are now under increasing scrutiny by U.S. Customs and Border Protection due to legislation implemented in 2022 designed to address the importation of goods suspected of being produced with forced labor.

The economic impacts of volatile markets and disrupted supply chains are still being felt in the industry. The NCC continues to support actions to help address supply chain logistics impacting both exports and the availability and cost of crop production inputs.

On the regulatory front, the NCC joined other interest groups and stakeholders in monitoring potentially adverse regulations and legislation that could affect cotton operations. On worker issues, for example, the NCC provided input on EPA's revision to its proposed rule on pesticide Application Exclusion Zone (AEZ) requirements that would extend beyond the farm's boundaries. The NCC also closely monitored the Department of Labor's new H-2A State Adverse Effect Wage Rates rule that will affect rates throughout the farm sector, and OSHA's proposal to set a new national heat standard.

Efforts to preserve valuable plant protection products ranged from monitoring legal challenges to EPA registrations of dicamba/sulfoxaflor to weighing in on EPA proposals involving Waters of the U.S. and endangered species. Regarding the latter, the NCC provided input to EPA which later issued a BiOp that found Enlist was not likely to jeopardize any listed species—keeping this important herbicide available for 2024.

Regarding the Trust Protocol, the program enrolled 1.6 million acres in 2023—a 25% increase over 2022's enrolled planted acres. The sustainability program currently has more than 900 producer and 2,000 supplier members and 40 plus companies/brands, among them Ralph Lauren, Old Navy, Gap, Levi Strauss & Co., American Eagle Outfitters, and J.Crew.

Cotton Council International (CCI) conducted a successful Cotton Belt tour for manufacturers from 15 countries that account for 92% of U.S. cotton export sales. CCI's activities to keep U.S. cotton as the global marketplace's preferred fiber are bolstered by the NCC's ongoing effort at encouraging industry members to aim for zero contamination of seed cotton/lint – including urging their use of compliant module wrap products.

Increases in Cotton Foundation membership and sponsorships this past year are helping to undergird cotton research and education. That support also helped the Foundation engage

industry members in successful programs that help regulatory officials better understand the cotton industry. More details of the NCC's 2023 activities follow under the major headings of Legislative Affairs, Trade, Communications, Technical, Cotton Council International, and The Cotton Foundation.

Ted Schneider, Chairman (2021–22)

Gary Adams, President/Chief Executive Officer



Shawn Holladay  
Chairman (2023)



Gary Adams  
President/Chief Executive Officer

# Farm Policy/Legislative Affairs

Major activities carried out during 2023.

## Legislative Affairs

The NCC joined 16 agricultural stakeholders on a letter to the Natural Resources Conservation Service (NRCS) requesting that it extend the comment period for NRCS' Proposed Revisions to the National Handbook of Conservation Practices. The NRCS verbally agreed to the requested 45-day extension request. Later, the NCC joined other stakeholders in comments commending the agency on its transparency. The groups, though, suggested that conservation practices be sorted on the agency's website alphabetically and by their identifying number.

The NCC also joined dozens of organizations on a letter to congressional leaders asking for a one-year implementation delay of the Corporate Transparency Act's (CTA) beneficial ownership reporting requirements, which were developed to target illicit shell corporations. The letter argued that the CTA reporting requirements, which apply to all entities having fewer than 20 employees and \$5 million in revenue, are beyond the scope of what the Financial Crimes Enforcement Network (FinCEN) is currently capable of managing. The letter also claimed these reporting requirements will end up imposing costly and confusing mandates on a business community still largely unfamiliar with the new rules. A one-year delay, the letter concluded, would give FinCEN enough time to develop a clearer regulatory framework while allowing stakeholders more time to prepare.

Throughout the year, the NCC closely followed the U.S. Department of Labor's (DOL) new wage rule that included changes to the methodology for determining how wage rates are calculated for H-2A employees. The new regulation 1) continued the DOL's misuse of USDA's Farm Labor Survey in determining wage rates in the H-2A and 2) would include new wage rates into the program that are not connected to agriculture. The DOL ignored comments from stakeholders that argued this action only would add to the economic burden of those using the visa program to provide necessary labor. Other issues having an impact on H2A operations are increases in fees for H2A visas and an Occupational Safety and Health Administration regulation on heat standards for farmworkers.

The NCC filed comments with USDA regarding the agency's rulemaking on implementation of the Emergency Relief Program (ERP) Phase 2 and Pandemic Assistance Revenue Program (PARP). In its comments, the NCC said that unfortunately USDA's approach to furnish assistance is overly burdensome and does not provide an accurate reflection of crop losses. Producers eligible for ERP Phase 2 assistance often will be forced to provide personal tax information to Farm Service Agency (FSA) employees to determine eligibility. Providing personal information can be uncomfortable for many producers and should not be a requirement to justify eligibility. The NCC noted in its comments that it is critical that the same structure be utilized as Phase 1 for the 2020 and 2021 losses. The comments also pointed out that in 2020, extra-long staple (ELS) producers were left out of the Coronavirus Food Assistance Program (CFAP 1) due to the lack of price discovery because ELS is not traded on a futures market.

In addition, the NCC led a letter with nearly 140 organizations to Agriculture Secretary Tom Vilsack criticizing USDA's Emergency Relief Program (ERP) for 2022 and urging USDA to alter the program "in a manner that more fully meets the needs of all producers." The letter raised concerns about the progressive payment factors in ERP 2022 to prorate payments, as well as the method used to reimburse producer-paid premiums. As the letter pointed out, these policy changes, which are new to ERP 2022, "appear inconsistent with the congressional intent of the enabling legislation." The letter also expresses concerns about USDA's continued reliance on Schedule F tax documents and concludes with a reminder that while Phase I of ERP 2020 and ERP 2021 were "not perfect," these programs were nevertheless "well received by farmers experiencing losses and provided a more equitable approach to assistance than ERP 2022."

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Late in the year, Rep. Jodey Arrington (R-TX) and Sen. Roger Marshall (R-KS) led a letter to

Agriculture Secretary Tom Vilsack along with 63 House and Senate cosigners opposing USDA's Emergency Relief Program (ERP) for 2022 and calling for the program to be abandoned in favor of a relief effort that more closely follows past-year practices. In an endorsement, NCC Chairman Shawn Holladay applauded the letter's signers for urging "Secretary Vilsack to go back to the drawing board," pointing out that ERP 2022 "unnecessarily deviates from past practice and will end up penalizing many of the hardest-hit farm families."

The NCC joined onto a letter with dozens of associations thanking Senator John Thune (R-SD) for introducing a bill to permanently repeal the estate tax. On January 1, 2026, the current estate tax exemption of nearly \$13 million will be reduced by half, absent congressional action. The letter argued that while a full estate tax repeal would be ideal, an extension of the current exemption threshold would be the next-best option.

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Early in the year, the NCC sent identical letters to House and Senate appropriators outlining priorities for FY24. In

the letter, the NCC offered 16 appropriations requests spanning a wide range of topics, including continued support for the Market Access Program and Foreign

Market Development Program; increased funding for cotton classing services, ginning research units and Agriculture Research Service initiatives throughout the Cotton Belt; and sufficient funding to carry out Boll Weevil Eradication Program activities and mitigate the threat of the cotton seed bug. Lawmakers failed to bring legislation to the House floor to fund USDA and the Food and Drug Administration (FDA) in FY24. More than 150 amendments were filed to the bill for potential floor consideration, including many measures to impose spending cuts on specific programs. One of these amendments would eliminate all funding for checkoff programs. The NCC was among two dozen other agriculture groups which sent a letter opposing this amendment. Later in the year, the House overwhelmingly rejected the amendment. Narrowly avoiding a government shutdown, Congress agreed to pass a continuing resolution (CR) that funds the government at FY23 spending levels beyond the start of the new fiscal year.

The NCC joined 17 other trade associations onto a letter to the chairmen and ranking members of the House and Senate agriculture committees opposing the Opportunities for Fairness in Farming (OFF) Act, which would place new restrictions on checkoff programs, including the Cotton Board. The letter pointed out that checkoff programs are already subjected to “rigorous compliance protocols, both internally and by USDA,” and that “for every dollar invested in a commodity checkoff, producers see several more in return.” Instead of improving checkoff programs, the letter argued that the OFF Act would substantially



undermine agriculture promotion efforts. The NCC also joined more than 20 agriculture organizations in endorsing a resolution introduced by Reps. Barry Moore (R-AL) and Ronny Jackson (R-TX). The resolution praises checkoffs for “returning value to producers” while also creating “industrywide benefit through increased sales, consumer awareness and higher overall demand.” The letter noted the OFF Act would substantially undermine agriculture promotion efforts.

Later in the year, the NCC joined numerous other agricultural associations on a letter regarding the FY24 Agriculture, Food and Drug Administration, Rural Development appropriations bill — specifically, amendment #1097 as submitted by Sen. Mike Lee (R-UT). The proposed amendment attempts to attach the so-called Opportunities for Fairness in Farming Act (or “OFF Act”) to the spending bill. If enacted, this amendment would substantially undermine American producers’ ability to promote U.S. agriculture and natural resource-based commodity products. The letter noted that “checkoffs are entirely funded and directed by those who pay assessments into them — in other words, producers themselves. As such, all checkoff expenses, including the salaries of USDA personnel overseeing them, are funded by the same receipts they generate.”

In December, The NCC joined over 20 other agriculture organizations in a letter to Senator Ed Markey (D-MA), Senator Ted Cruz (R-TX), Representative Josh Gottheimer (D-NJ), and Representative Bruce Westerman (R-AR) thanking them for sponsoring legislation to require automakers to maintain AM radio capability in new vehicles. The letter pointed out that AM stations provide a vital source for emergency alerts and other important news in rural communities, noting that a single broadcaster can reach listeners up to 700 miles away. AM broadcasts also have the advantage of continuing even when power goes out or cell towers are disabled.

The NCC filed comments regarding the Risk Management Agency’s (RMA) request for feedback on future implementation of provisions related to prevented planting. The “1 in 4” prevented planting requirement, since its nationwide implementation in 2021, has caused significant issues in the western portions of the Cotton Belt. When the rule was finalized, many producers were out of compliance immediately due to the retroactive enforcement of the regulation’s timeline preventing producers from implementing water management strategies for compliance. The NCC also requested that RMA give producers the option to

purchase buy-up coverage on prevented plant up to 10% as input costs for equipment and labor are at record levels along with production costs for pesticides, fertilizers, and financing.

At the end of the year, the NCC joined a letter with more than 150 organizations to support full and permanent repeal of the federal estate tax. As the letter pointed out, the estate tax has forced the sale of farms and family businesses while contributing only a very small portion—estimated at one-half of one percent—to federal revenue.

## **Farm Policy**

Early in the year, the NCC, along with more than 50 other agricultural associations, sent a letter to Administration leaders and to leadership of the House and Senate budget and appropriations committees, urging them to protect crop insurance programs from any cuts during this year's appropriations process. The letter noted that with ongoing weather events and market disruptions due to COVID and international conflicts, it is as important as ever to protect the rural safety net. The Biden Administration and Congress were continually reminded of the need for such programs as the farm bill is crafted.



**The NCC communicated with Administration leaders and House/Senate budget and appropriations committees advocating for the protection of crop insurance programs during the 2023 appropriations process.**

The Food and Agriculture Climate Alliance (FACA), of which the NCC is a member, released policy recommendations for the 2023 farm bill. FACA's recommendations were developed by its 23-member Steering Committee and are divided into six categories: conservation, risk management and credit; energy; food waste; livestock and dairy; forestry; and research, extension, and innovation. FACA's past recommendations have provided guidance to Congressional Members and Administration officials and have been credited

with shaping federal laws and programs. FACA urged both chambers of Congress/President to pass a farm bill that advanced voluntary bipartisan climate solutions.

A few weeks later, the NCC, as well as many national/regional cotton organizations, joined 400 other agriculture groups on a letter to the House and Senate budget committees' leadership requesting sufficient budgetary resources to write a new bipartisan, multi-year, comprehensive and meaningful farm bill. The letter reminded the committees' leaders that, "Just as there are many pressures on the federal budget, there are many pressures on U.S. farmers and others throughout the agricultural supply chain who provide food, feed, fuel, fiber and other products to consumers across the United States and abroad. Sufficient budgetary resources will be needed to craft a new bipartisan, multi-year, comprehensive and meaningful piece of legislation.

The NCC participated in Congressional farm bill hearings to convey industry priorities. In separate hearings, NCC Chairman Shawn Holladay and NCC Director Patrick Johnson offered recommendations that could help address new operating challenges such as changing markets, extreme weather events and increased production costs. Both testified that a new farm bill needs to include: 1) increases to the seed cotton reference price and the marketing loan rate; 2) restoring the Economic Adjustment Assistance for Textile Mills payment rate to the original value; 3) modernizing various marketing loan program repayment provisions; 4) continued support for the Market Access Program (MAP) and Foreign Market Development Program (FMD); and 5) adding marketing loan provisions to the Pima loan program.

Later in the year, Holladay and other NCC leaders went to Washington, DC, where they met with more than 20 Senators and Representatives, including the House and Senate agriculture committees' leaders. The NCC delegation reiterated these priorities and requested elimination of the current prohibition on joint PLC/STAX enrollment. Also, the Coalition to Promote U.S. Agricultural Exports, chaired by Robbie Minnich, vice president of NCC's Washington Operations, told Congressional Members that programs like MAP and FMD work and investments in them need to increase significantly in the new farm bill to keep up with competitors.

**NCC Chairman Shawn Holladay testified at a two-part hearing of the House Agriculture Committee's General Farm Commodities, Risk Management, and Credit Subcommittee exploring measures that should be included in the 2023 Farm Bill.**



Mid-year, NCC joined 19 groups representing agricultural, environmental, forestry, wildlife, nutrition and hunger advocates and launched the “Farm Bill for America’s Families: Sustaining Our Future” campaign to urge passage of the 2023 farm bill this year. Farm Bill for America’s Families brought together stakeholders who support the farm bill and recognize its profound impact on the well-being of all Americans. The campaign seeks to engage consumers, leaders and lawmakers on the importance of the farm bill and highlights five core objectives: food security, job creation, conservation, risk management and addressing hunger.

With many provisions of the existing farm bill set to expire at the end of 2023, the House and Senate leadership extended the 2018 farm bill for another year. The NCC issued a statement applauding the House and Senate agriculture committees for the farm bill extension. NCC Chairman Shawn Holladay expressed the industry’s gratitude to these panels’ leaders for extending the 2018 farm bill another year saying the extension will give the U.S. cotton industry certainty in program support heading toward next year’s planting season. The NCC will continue to actively work with the House and Senate Agriculture Committees to secure a 5-year farm bill as quickly as possible in 2024.

# Trade

Major activities carried out during 2023.

Early in the year, a bicameral, bipartisan group announced the “Expanding Agricultural Exports Act” which would double funding to the USDA’s Market Access Program (MAP) and the Foreign Market Development cooperator program (FMD) from \$200 million to \$400 million and \$34.5 million to \$69 million, respectively. Through MAP, USDA partners with groups such as Cotton Council International to share the costs of overseas marketing and promotional activities that help build commercial export markets for U.S. agricultural products and commodities. In May, the Bangladesh Ministry of Agriculture removed a significant trade barrier for U.S. cotton exports, no longer requiring upon-arrival fumigation of baled cotton coming into the country from the United States. A Cotton Council International (CCI)-sponsored Bangladesh Ministry of Agriculture Delegation’s U.S. visit last fall, coupled with indispensable efforts by USDA’s Foreign Agricultural Service (FAS) office in Dhaka, ultimately convinced the Bangladesh government to relax its nearly-five-decade-long fumigation requirement on U.S. cotton imports. Bangladeshi importers were previously paying more than \$1 million annually for fumigation of U.S. cotton. Removing the fumigation requirement is the result of decades of hard work by USDA and the U.S. cotton industry.



**In a letter to Senate appropriators, the NCC emphasized that funding from the Commodity Futures Trading Commission (CFTC) has not adequately addressed the agency’s evolving needs.**

The following month, the NCC and the American Cotton Shippers Association joined 10

other agriculture organizations on a letter to Senate appropriators urging \$411 million in FY24 funding for the Commodity Futures Trading Commission (CFTC), in line with the Biden

Administration's March budget request. The groups argued in the letter that funding for the CFTC in recent years has not kept up with the agency's needs to respond to new challenges related to cybersecurity and the increased use of digital assets. The groups also noted that without sufficient funding, the CFTC also would be unable to "ensure the integrity of more traditional commodity markets."

NCC President/CEO Gary Adams, continues to serve as a member of the Agricultural Policy Advisory Committee. The panel provides advice on the administration of U.S. trade policy, including implementation and enforcement of existing U.S. trade agreements and negotiating objectives for new trade agreements. Agriculture Secretary Thomas Vilsack and U.S. Trade Representative Katherine Tai announced the appointment of 130 new private-sector representatives to serve on seven agricultural trade advisory committees that represent the diversity of U.S. agriculture. The newly appointed committee members will serve until August 2027 and the committees will be supplemented by more appointments over the next four years.

The NCC joined a letter with 34 other agriculture groups urging the President's Export Council (PEC) to establish a "robust" trade agenda, strengthen enforcement of existing trade agreements, and advance efforts to diversify the supply chain. Later, Agriculture Secretary Tom Vilsack announced that USDA will provide \$300 million in grant funding to assist agriculture export efforts. This funding represents the first tranche of a larger \$1.2 billion trade promotion effort managed through a new Regional Agricultural Promotion Program (RAPP).

Later in the year, the NCC applauded the USDA's decision to provide nearly \$1.4 billion to bolster export promotion programs through the Commodity Credit Corporation. The Coalition to Promote U.S. Agriculture Exports, of which the NCC is a member, has been requesting the doubling of funding for both the Market Access Program and the Foreign Market Development Program in the next farm bill. These programs are critical to Cotton Council International's mission.

**The NCC communicated with Commerce Secretary Gina Raimondo urging the department to reconsider the duty rate calculation on phosphate fertilizer imported from Morocco.**



The NCC joined 62 national and state organizations onto a letter to Commerce

Secretary Gina Raimondo

urging the Department to reconsider the duty rate calculation on phosphate fertilizer imported from Morocco. The NCC has advocated for a tariff reduction on Moroccan fertilizer imports since the 19.97% rate was set in 2020. The NCC and 50+ other agriculture organizations also sent a letter to U.S International Trade Commission (ITC) Chairman David S. Johnson aimed at securing lower tariffs on Moroccan fertilizer imports. Most significantly, the letter pointed to the finding of the U.S. Court of International Trade (CIT) that the ITC did not sufficiently account for the impact of weather on producers when trying to determine the relative effect of tariffs on various stakeholders.

The NCC joined a letter with 29 other organizations to U.S. Trade Representative Katherine Tai and Agriculture Secretary Tom Vilsack urging the U.S. government to pursue an ambitious negotiating agenda on agriculture issues in the lead up to the World Trade Organization's 13th Ministerial Conference (MC13). The letter emphasized the need for meaningful market access reform, though it recognized the many challenges that current trade-limiting foreign restrictions present.

The NCC joined with 15 other agricultural organizations endorsing Summer Mersinger to serve a second term as Commissioner of the Commodity Futures Trading Commission (CFTC). In the letter, the groups cited her "extensive ties to the agriculture community" and the understanding of risk management she gained from growing up on a family farm.

## Supply Chain



**The NCC conveyed to President Biden to work to resolve ongoing labor negotiations at the West Coast ports between the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA).**

The NCC, along with the American Cotton Shippers Association and Amcot, joined onto a letter with 238 national, state and local trade associations urging President Biden to work to resolve ongoing labor negotiations at the West Coast ports between the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA). The letter urged President Biden to name a new “point person” to continue mediation efforts, arguing that “the only way the parties can reach an agreement that will ensure the competitiveness of the ports and the supply chain stakeholders who rely upon them is to remain at the table until a new agreement is finalized.” After more than a year of tense negotiations and periodic disruptions at West Coast ports, and a brief shutdown at the ports of Los Angeles and Long Beach, a labor contract was voted on and approved.

On another transportation issue, the NCC joined nearly 50 other state and national groups on a letter to the Senate Commerce, Science, and Transportation Committee’s chairwoman and ranking member urging passage of “bipartisan, targeted rail safety legislation to reduce the risk of future derailments while also ensuring a reliable, economically sustainable railroad freight transportation system.” The letter expressed support for defect detectors, first responder training and track maintenance, as well as for full funding of the Department of Transportation’s Pipeline and Hazardous Materials Grant Program.

In addition, the NCC joined 74 other organizations on a letter to the House Transportation and Infrastructure Committee leadership opposing unclear or unreasonable rail storage



charges that are being assessed on freight in transit to international ocean transportation. The letter argued that these charges are a form of demurrage that should be subject to better oversight under the clear jurisdiction of the Federal Maritime Commission in any follow-up legislation to last year's Ocean Shipping Reform Act. This reform, the letter stated, would "provide redress for unfair business practices that adversely impact supply chains and the ocean cargo delivery network." The letter also was sent to leadership of that Committee's Coast Guard and Maritime Coast Guard and Maritime Subcommittee and Railroads, Pipelines, and Hazardous Materials Subcommittee.

Late in the year, the NCC joined nearly 50 agriculture organizations on a letter to Department of Homeland Security Secretary Alejandro Mayorkas urging him to immediately reopen the El Paso and Eagle Pass rail crossings. The letter noted that the closures were "rippling back into the U.S. supply chain and having negative impacts on the U.S. economy." U.S. Customs and Border Protection (CBP) reopened rail crossings on the U.S.-Mexico border that had been temporarily closed in response to a migrant surge. Mexico was the United States' second largest export market in 2022, accounting for \$28.5 billion in sales. Nearly two-thirds of the agricultural goods exported to Mexico traveled by rail.

The NCC joined 75 other organizations in a letter to President Biden supporting the renomination of Surface Transportation Board (STB) Chairman Martin Oberman and Member Patrick Fuchs. The letter stated that under the tenure of these two individuals, "the STB has initiated several important efforts to modernize freight rail policies and more effectively address ongoing freight rail problems." While the letter also recognized that more work needed to be done, it concluded that Oberman and Fuchs had demonstrated a commitment to addressing current freight challenges by initiating several stakeholder hearings that have resulted in improvements, including fewer embargoes.

In the area of ground transportation, the DRIVE Safe Coalition, of which the NCC is a member, submitted a letter to Chairman Sam Graves (R-MO) and Ranking Member Rick Larsen (R-WA) in support of a bill in the markup that would establish an apprenticeship program for commercial drivers under the age of 21. Other bills approved by the Committee would allow for the construction of more commercial motor vehicle parking; streamline the environmental review process for port, aviation, and pipeline projects; and establish a voluntary pilot

program for states to increase truck weights on federal interstates up to 91,000 lbs. on six axles.

# Communications

Major activities carried out during 2023.

## Public Attitudes

The National Cotton Council (NCC) consistently conveyed the industry's positions and concerns to Congressional Members and key government agency officials regarding critical legislative, trade, regulatory and environmental matters.



**Twenty groups representing agricultural, environmental, forestry, wildlife, nutrition and hunger advocates launched the “Farm Bill for America’s Families: Sustaining Our Future” campaign to urge passage of the 2023 farm bill.**

For example, the NCC is a leading partner of a new farm bill coalition, entitled “Farm Bill for America’s Families.” The goal of the organization is to build public and consumer support for passage of the 2023 farm bill. The NCC joined other organizations representing agricultural, environmental, forestry, wildlife, nutrition and hunger advocates in launching the “Farm Bill for America’s Families: Sustaining Our Future” campaign to urge passage of the 2023 farm bill.

The NCC utilized social media across Twitter, Facebook, YouTube, podcasts via YouTube and Instagram. The posts highlighted news and information from the NCC, Cotton Council International and the U.S. cotton industry. The overall goal is informing, educating and creating positive perceptions regarding the NCC and the industry among the NCC's primary audiences of its members, Congress/Congressional staffers and consumers.

The NCC continued as an in-kind supporter of America’s Heartland, the award-winning national television series celebrating American agriculture. The long-running series, aired on

public television and the RFD-TV cable and satellite channel, educates consumers about the origins of their food, fuel and fiber.

In addition, the NCC continued to participate in Farm Policy Facts and “The Hand That Feeds Us” initiatives which are committed to ensuring American agriculture’s long-term success by facilitating meaningful conversations with legislators and consumers about how food and fiber is produced.

The NCC consistently encouraged its producer members to enroll their 2023 crop in the U.S. Cotton Trust Protocol® through direct mail, its Cotton's Week newsletter, Cotton eNews, social media and the news media, including the distribution of news releases, interviews for articles and placement of columns in the farm trade press. The main message was that strong producer participation in this sustainability initiative will help elevate U.S. cotton's position in the global marketplace by demonstrating to brands and retailers that the United States is a leader in more sustainable cotton growing practices.

## Information Services

**Columns in the trade press were one way the NCC conveyed its position on key issues and programs such as encouraging producer enrollment in the U.S. Cotton Trust Protocol®.**

The NCC continued to utilize key communication vehicles such as its Cotton’s Week newsletter, radio news lines, videos, and columns in various trade publications for disseminating key information to its members such as farm law implementation and regulatory proposals. That ranged from relaying details and signup deadline reminders from the USDA to providing updates as the House and Senate developed and considered the 2023 farm legislation.



### Cotton's Agenda

Gary Adams



## Smart Start

*The National Cotton Council is urging its producer members to enroll their 2023 cotton crop in the U.S. Cotton Trust Protocol during the signup window that ends on September 1, 2023.*

### How beneficial is enrolling during this revamped signup window?

■ As enrollment now will be open for four months (May-August) this season, producers are encouraged to begin their data entry as soon as possible. The enrollment period was updated to enable producers' participation in the Climate Smart Cotton Program. That USDA pilot initiative is providing technical/financial assistance to up to 1,650 U.S. cotton producers with acres available for climate smart practice changes. Those interested in participating should watch for Trust Protocol communications.

Producers can now receive their initial electronic warehouse receipt right after ginning - enabling the cotton to be visible sooner for brands and retailers looking to source Trust Protocol fiber.

This season's actual enrollment process will remain the same. To complete enrollment and data entry for the 2023 crop year ahead of the September 1 deadline, producers can visit [www.TrustUSCotton.org](http://www.TrustUSCotton.org). For enrollment assistance, contact [info@trustuscotton.org](mailto:info@trustuscotton.org). All data entered in the Trust Protocol is secure and confidential, only being used in aggregate form. Crop consultants may be authorized to enter information on

The NCC's website, [www.cotton.org](http://www.cotton.org), continued to be a significant tool for the timely sharing of important information to NCC members and other interested groups, including feeds from the NCC social media channels.

The NCC also provided comprehensive communications support for multiple NCC-coordinated Cotton Foundation projects. Among those were the Emerging Leaders, Multi Commodity Education, Policy Education and Producer Information Exchange programs.

### **U.S. Cotton Trust Protocol®**



**The U.S. Cotton Trust Protocol announced U.S. cotton acres enrolled in the sustainability program reached 1.6 million acres in 2023—a 25% increase over 2022's enrolled planted**

**acres.**

The U.S. Cotton Trust Protocol announced U.S. cotton acres enrolled in the sustainability program reached 1.6 million acres in 2023—a 25% increase over 2022's enrolled planted acres. This represents not only impressive growth in single year enrolled acreage but the fourth successive year of continued expansion of enrolled cotton acres. The 1.6 million enrolled planted acres represents 16% of U.S. planted cotton acres in 2023.

The 2023 season enrolled acreage increase 1) marks a key milestone in the Trust Protocol's growth/development and 2) means that an ever-increasing amount of more sustainably grown cotton is available for Trust Protocol brand/retailer members.

Brand and retailer members can track both U.S. cotton and Protocol cotton through the Protocol Consumption Management Solution (PCMS) and claim Protocol Cotton Consumption Units (PCCUs). Protocol cotton is grown and harvested on Protocol farms and 1 PCCU is minted for each kilogram of Protocol cotton in the system. To date, 970 million PCCUs are available to be consumed in the PCMS, which is equivalent to 4.45 million bales of cotton.

The program currently has more than 1,800 supplier members and more than 40 companies/brands including global brands and retailers such as Ralph Lauren, American Eagle, Gap, Amazon, Levi Strauss & Co., J.Crew, Old Navy and the newest members, Macy's, Inc. and Kiabi.

In May, Trust Protocol announced that enrollment for the 2023 crop year would now be open through September 1, providing growers the opportunity to complete data entry prior to harvest. The updated timing also better aligned with peak cotton marketing dates and allowed a member's cotton to be verified and visible as Protocol Cotton bales right after ginning. This timing provided growers who are members of the program with additional benefits, including more timely insights that could be implemented into management plans as they worked towards continuous improvement from pre-planting to post-harvest activities.

As enrollment would now be open for four months, instead of 12, growers were encouraged to begin their data entry as soon as possible. The actual enrollment process remained the same, with the only change being the window for data completion. In 2024, the program will further refine the grower enrollment window to begin in January and end prior to planting on May 1.

**U.S. cotton producers were encouraged to apply for the Climate Smart Cotton Program, a five-year pilot announced as part of the USDA's Climate Smart initiative where the Trust Protocol serves as the lead.**

U.S. cotton producers were encouraged to apply for the Climate Smart Cotton Program, a five-year pilot announced as part of the USDA's Climate Smart initiative where the Trust Protocol serves as the lead. The program's goals are to: 1) provide technical and financial assistance to U.S. cotton producers; 2) advance adoption of CSA practices on 1.2 million U.S. cotton acres; 3) produce 4.2 million bales of Climate Smart Cotton™ over five



years; 4) enroll 1,650 U.S. cotton producers, including 330 producers from historically underserved communities; and 5) reduce CO<sub>2</sub>e emissions by 1.14 million metric tons. The program brings together leaders and partners from supply chain outreach, academia and sustainability. The Climate Smart Cotton Program is a collaborative effort with Cotton Incorporated and the NCC's export promotion arm, Cotton Council International.

Mid-year, the Trust Protocol announced the appointment of Daren Abney as executive director. A sustainability veteran, Abney brings 15 years of international experience garnered in organizations across the apparel/fashion industry such as Better Cotton, Textile Exchange, and most recently Lenzing Group. Abney will guide the strategic vision and operation of the Trust Protocol. Abney also will oversee activities of the U.S. Climate Smart Cotton Program.

The Trust Protocol appointed Averum to provide more third-party verification support as the program has realized a 120% increase in producer enrollment since its launch three years ago and now requires a significantly greater number of independent verifications. Averum is working in conjunction with Control Union Certifications, which has been assisting with the Trust Protocol's third-party verifications since 2020.

The Trust Protocol announced that public stakeholder consultation was open on the revision of the Principles and Criteria and Grower Enrollment Questionnaire. Completion of the documents' draft Version 2.0 was a significant milestone in the ongoing efforts to evolve the program, and stakeholder input was important to ensuring the standard's quality and effectiveness. The new Version 2.0 aimed to bring more clarity on the overall structure of the grower questionnaire and aimed to address some of the on-going areas of interest. It focuses specifically on field practices for optimization of farm inputs/chemical management, and the program believes it will have a positive impact on achieving the sustainability goals for all the key environmental metrics from soil health to GHG emissions.

## In other activity

**The Trust Protocol hosted more than 20 representatives from global brands and retailers in the Mid-South so they could get a first-hand look at sustainably grown cotton.**



- The Trust Protocol and Cotton Incorporated received the 2023 Collaboration of the Year award. for their work on the “U.S. Cotton Trust Protocol: Collaborating for a Smarter Cotton Future” project. Both were recognized for their outstanding collaboration and cross-sector partnership in advancing continuous improvement of cotton sustainability at the field and landscape level.
- The Trust Protocol was accepted as a member of the United Nations Fashion and Lifestyle Network, a hosted online platform for industry stakeholders, media, governments, and U.N. system entities. The Network 1) considers the fashion and lifestyle sector’s impact on societies and the environment and 2) fosters transparent, inclusive, and transformative engagement of global stakeholders to drive urgent action for sustainability.
- Throughout the year, the Trust Protocol attended and participated in edie23, the Drapers Sustainable Fashion Conference, the Global Fashion Summit and the annual Textile Exchange Conference.
- Late in the year, the Trust Protocol hosted representatives from global brands and retailers in the Memphis area for an in-person tour. The tour 1) highlighted how the program provides tools for members to access verified, field-level data as well as full supply chain transparency and 2) provided potential Trust Protocol members the opportunity to see the continuous improvement practices Trust Protocol producers are implementing on their farms.



# Technical

Major activities carried out during 2023.

## Regulatory

Throughout the year, the National Cotton Council submitted letters and comments regarding a range of regulatory matters that are crucial to the U.S. cotton industry.

The NCC filed separate comments as well as comments with 205 other stakeholders on EPA's vulnerable species pilot program. The pilot project was proposed to protect more than 20 of the most vulnerable species and is part of EPA's ongoing efforts to meet its legal obligations under the Endangered Species Act. Comments from many stakeholders, including the NCC, conveyed concerns that 1) EPA was basing its analysis on worst-case scenarios and not on the best available scientific data and 2) the pilot does not appear to meet EPA's statutory obligations under the Federal Insecticide, Fungicide and Rodenticide Act.



**Patrick Johnson, a Mississippi producer, attended two EPA Pesticide Program Dialogue Committee (PPDC) meetings which covered a range of critical topics, including updates on endangered species work, emerging agricultural technologies and environmental justice.**

Patrick Johnson, a Mississippi cotton producer, attended EPA's Pesticide Program Dialogue Committee (PPDC) meeting. During the May meeting, the agenda included updates on endangered species work, viral pathogens resistance management, emerging agricultural technologies and environmental justice. Johnson later attended the PPCD's fall meeting where updates by EPA staff on multiple issues including paraquat, chlorpyrifos and endangered species, as well as upcoming issues including endocrine disruptor screening and digital and bilingual labeling were discussed.

The NCC and the National Cotton Ginners Association joined other stakeholders asking EPA for a 30-day extension to the comment period for the “Reconsideration of the National Ambient Air Quality Standards for Particulate Matter.” The stakeholders are members of the National Ambient Air Quality Standards (NAAQS) Regulatory Review and Rulemaking Coalition (NR3). The NR3 Coalition was concerned about the NAAQS’ Regulatory Impact Analysis which 1) did not account for the economic impact of the proposed country-wide permitting regime and 2) failed to list many of the controls that would be needed to achieve the proposed standard.

Later in the year, immediately following the PM2.5 National Ambient Air Quality Standards (NAAQS) proposal, EPA released for comment a Revised Ozone Policy Assessment for Reconsideration of the Ozone NAAQS. The NCC, National Cotton Ginners Association, Texas Cotton Ginners Association and other stakeholders joined in comments requesting the status quo be continued. The coalition's comments supported the current standards. While EPA staff continued to recommend retention of the existing ozone NAAQS, there was pressure to increase stringency.

In December, the NCC, the National Cotton Ginners Association, the Texas Cotton Ginners Association and other stakeholders belonging to the National Ambient Air Quality Standards (NAAQS) Regulatory Review & Rulemaking Coalition (a.k.a. NR3) filed comments on EPA’s proposed rule on the “Guideline on Air Quality Models: Enhancements to the AERMOD Dispersion Modeling System.” The heavily technical comments conveyed concerns with the agency's conservatism in air permit and state implementation plan air models. The comments noted that the models need to be adjusted to match real outcomes before they are used on EPA's newly proposed NAAQS for particulate matter.

The NCC joined 34 other organizations on a letter to the Senate Environment and Public Works Committee and the House Committee on Transportation and Infrastructure urging them to support Congressional Review Act (CRA) resolutions of disapproval of the Waters of the United States (WOTUS) rule from the Army Corps of Engineers and EPA. Citing the lack of transparency and consistency in rulemaking, the letter stated that WOTUS would hinder economic growth as it would be hard to implement and require small businesses and landowners to spend thousands of dollars in hiring experts and lawyers to determine if they need a permit to do work on their own land and that it would “hinder economic growth and

development and make it more expensive to invest in U.S. infrastructure and businesses.” The House Transportation and Infrastructure Committee then approved H.J. Res. 27, the CRA resolution of disapproval on the Biden Administration’s new WOTUS Rule. The panel had a strong showing of Member support with more than 160 cosponsors in the House.

In late May, the U.S. Supreme Court released the long-awaited Sackett decision regarding wetlands and the Waters of the U.S. In a 9-0 ruling, the Court reversed the 9th Circuit of Appeals, decided in favor of the Sacketts and remanded the case back to the lower courts for review. This historic decision to define the limits of EPA authority under the Clean Water Act was a victory for private property owners across the country. The ruling preserves protections for our nation’s valuable water resources while delivering much-needed clarity to the process of determining federal jurisdiction over wetlands.

**The NCC expressed its concern in a letter to the EPA/Corps of Engineers highlighting that the agencies’ choice to dismiss public comments resulted in an indefensible final rule concerning the “Waters of the U.S.”**



The Waters Advocacy

Coalition (WAC), to which the NCC belongs, sent a list of recommendations to the U.S. Army Corps of Engineers (COE) and the EPA. The letter stated the broadly held concerns that the short timeline (September 1) to rewrite the rule would cause the agencies to simply strike language that was rejected by the Supreme Court in the Sackett case and not further revise the rule to make a “defensible response” to Sackett. The agencies’ decision to reject public comment created a further indefensible final rule.

Later in the year, the EPA and the U.S. Army Corps of Engineers (COE) released a pre-publication version of the amended “Waters of the United States” (WOTUS) rule on its website. This latest rule iteration, as amended by the Supreme Court decision in Sackett v.

EPA, deleted all references to the controversial "significant nexus" test, and to "interstate wetlands." It also redefined the term "adjacent" to mean "having a continuous surface connection" and deleted the previous confusing and all-encompassing definition that included any nearby waters even if separated by natural or man-made upland features.

In response to the EPA/COE rule announcement, the NCC released a statement. NCC Chairman Shawn Holladay said, "We are concerned that the EPA is continuing to expand their jurisdictional authority with this latest rule. Their revisions do not appropriately comply with the recent Supreme Court decision which sought to bring clarity and simplicity to a complicated regulatory regime. Furthermore, the EPA published this final rule without allowing for public notice and comment which could have shed light on areas of concern and strengthened the result. This action may end up in the courts, once again leaving regulators and growers in a confused state regarding legally appropriate ways to protect our nation's waters."

In December, the Waters Advocacy Coalition, which includes the NCC, sent comments to EPA on the agency's interim draft of the National Ordinary High Water Mark Field Delineation Manual for Rivers and Streams. The main point of the comments was that 1) the agency erred in its assertion that the manual did not represent a change to "ordinary high-water mark" (OHWM) or Waters of the U.S. (WOTUS) and 2) that error was compounded when EPA decided not to extend the short comment period. The comments presented EPA's own statements in its most recent WOTUS rule showing the importance of OHWM in identifying a WOTUS. Therefore, changes to the delineation manual must go through normal rulemaking procedures.

The NCC joined more than 50 organizations in a letter to congressional appropriators requesting at least \$1.2 billion for USDA's conservation operations in fiscal year 2024. In the letter, the groups argued that such funding would provide "essential tools to help farmers, ranchers, and forest landowners across the country voluntarily implement effective conservation practices on their lands." The overwhelming majority of funding USDA receives for conservation operations is dedicated to technical assistance for farmers who participate in the Environmental Quality Incentives Program, the Conservation Stewardship Program and similar initiatives.

The NCC and 11 other agricultural organizations sent a letter to USDA requesting the agency provide a 60-day extension to the comment period for the proposed 2023 Update to Technical Guidelines for Quantifying Greenhouse Gas (GHG) Emissions and Carbon Sequestration at the Entity-Scale for Agriculture and Forestry. The documentation for the proposal is 600-plus pages and requires comparing the changes in agricultural production systems since the last guidelines which were issued in 2014.



**The NCC conveyed suggestions regarding greenhouse gas emissions through its coalition with the Food and Agriculture Climate Alliance (FACA).**

Soon after, the Food and Agriculture Climate Alliance (FACA), of which the NCC is a member, submitted comments

on USDA's draft framework for the measurement, monitoring, reporting and verification (MMRV) of greenhouse gas emissions. The FACA comments commended USDA for 1) identifying shortcomings in the measuring/monitoring of greenhouse gas emissions and 2) advancing some of FACA's own proposals, including implementation of a soil carbon monitoring network. FACA's comments urge USDA to pursue MMRV policies that 1) recognize a diversity of crop production practices, 2) follow a systems approach to greenhouse gas emission quantification and 3) leverage data from non-federal sources, among other goals.

The NCC continued to follow the U.S. Department of Labor's new wage rule that includes changes to the methodology for determining how wage rates are calculated for H-2A employees. The DOL has ignored stakeholders' concerns, but the Council and others continued to convey how these new rates would burden industry members.

### **Crop Protection Product Support**

Throughout 2023, the NCC continued to work with others in the agricultural community to ensure the EPA evaluated crop protection products using science-based data so producers

could access the necessary tools and technology needed to efficiently produce high quality crops.

**The NCC submitted feedback to EPA's Endangered Species Act Workplan regarding the agency's latest amendments to its Endangered Species Act (ESA) Workplan which grants access to the EPA's "Bulletins Live! Two" website.**



Early in the year, both the NCC and the Pesticide Policy Coalition (PPC), which NCC chairs, submitted comments to EPA on the agency's latest amendments to its Endangered Species Act (ESA) Workplan. The Workplan is an attempt by the agency to thoroughly consider endangered species in every pesticide registration/reregistration. The Workplan gives applicators and producers access to EPA's "Bulletins Live! Two" website to assess the potential threats to any endangered species in their area and then comply with mitigation practices to protect those species. Comments to the agency ranged from approval for EPA's attempts to resolve this ongoing problem, to suggestions for improving the website and realizing that many farms are in areas of low internet service.

The NCC joined 16 other stakeholders on a letter to EPA Administrator Michael Regan regarding revised draft occupational and non-occupational risk assessments for four pesticidal active ingredients—diazinon, ethoprop, tribufos and phosmet. The agency has 1) stated there likely will be greater restrictions on these products and 2) begun discussion on mitigations without any public notice/comment and outside of the normal registration review process. These products have been in use for decades but on March 15, the EPA announced that the existing registered uses for these pesticides now posed significant and novel risks. The letter stated that these four active ingredients had draft risk assessments published for public comment from 2015-17, there were no new risks identified at that time and it is not clear what new science requires immediate mitigation without public comment. The letter urged the agency to submit the assessments for public comment.

The NCC joined a letter with 65 other cosigners to the House and Senate Interior Appropriations Subcommittees requesting adequate funding for EPA and Fish and Wildlife Service (FWS) for their continued pesticide registration efforts. Citing recent and continuing slowdowns in pesticide registrations, the letter requested that appropriations for those agencies include \$166 million for EPA pesticide registrations and \$3 million to FWS for endangered species consultations on those registrations.

Soon after, the NCC was joined by more than 400 organizations in a letter to the House and Senate strongly opposing the Booker Bill. As in the past few years, the bill was up again for Senate consideration. The bill would amend the Federal Insecticide, Fungicide and Rodenticide Act to upend the science-based safety standards in place to protect human health and the environment while undermining pesticides' availability. In 2023, each past cosigner, plus several new organizations, signed onto the letter.

In mid-year, a group of 41 agricultural stakeholders, including the NCC, sent a letter to the House and Senate appropriations committees requesting that Congress provide USDA's Office of Pest Management Policy (OPMP) \$3.4 million for FY24 in the agriculture appropriations legislation. The letter noted that this funding level would help ensure the program could provide consistent, reliable expertise to coregulators on agricultural perspectives and better guarantee all pesticide users are well represented in ongoing pesticide regulatory discussions.

The NCC filed comments with EPA on the agency's draft herbicide strategy to protect threatened and endangered species and urged other agricultural organizations to sign a petition that outlined the devastating impacts the herbicide strategy would have on agriculture. In its comments, the NCC said that while it understands EPA is under court-ordered deadlines to establish a framework to protect endangered species from pesticides, it points out that the strategy is a complicated regimen of mitigation practices and point systems that seem to place the liability of compliance to the Endangered Species Act onto producers. In its rush to meet the deadlines, EPA has failed to consider the costs and benefits as required by pesticide law. The NCC believes that protection of endangered species is critical but is concerned that many of the mitigation practices will be 1) unworkable in some areas due to regional differences and 2) too costly for many producers.

EPA's ongoing review of dicamba was monitored by the NCC. EPA approved labeling amendments that further restricted the use of over-the-top dicamba in some midwestern states. The EPA tried to determine if over-the-top applications of dicamba posed "unreasonable risks" to other crops and plants.

The NCC responded to EPA's Proposed Interim Decision for the registration of norflurazon—a herbicide used to manage certain grasses and broadleaf weeds in most cotton-producing states. The NCC 1) cited the need for herbicide rotation in trying to manage pesticide resistance, 2) requested that EPA maintain the label and make the new requirements clear and in table form on the label and 3) urged that EPA ensure that the mitigation pick-list be consistent with existing USDA management practices.

The NCC filed comments on the EPA's "Draft Endangered Species Act Biological Opinion for Enlist Herbicide Products." The NCC urged EPA and the U.S. Fish & Wildlife Service to refine the process to sub-county levels to prevent pesticide bans in entire counties. In its comments, the NCC also noted that restrictions on uses 1) strained other modes of action and 2) helped build pesticide resistance.

Late in the year, EPA released its final Biological Opinion (BiOp) that contains findings from the U.S. Fish & Wildlife Service (FWS) on Enlist products' use. The final BiOp issuance is the last step in EPA's formal consultation process with FWS. With its issuance, EPA will work with the registrant to implement the BiOp and intends to have label revisions approved in advance of the next growing season.

On another important regulatory matter, the NCC joined 18 other stakeholders including the National Cotton Ginners Association, the National Cottonseed Processors Association, and the Texas Cotton Ginners' Association on comments to EPA regarding the "Reconsideration of the National Ambient Air Quality Standards (NAAQS) for Particulate Matter" from the NAAQS Regulatory Review & Rulemaking Coalition. The document cited various scientific studies to show that the agency's proposed standards reductions were not needed and would result in large economic costs and burdens.





**NCC sent comments to EPA on the registration of sulfoxaflor calling it a “critical alternate” mode of action to manage pests such as aphids and plant bugs.**

The NCC sent comments to EPA on the registration of sulfoxaflor. Calling it a “critical alternate” mode of action to

manage pests such as aphids and plant bugs, the NCC defended product aerial and ground applications. In its comments, the NCC also challenged the agency stance of the insecticide’s harm to honeybees.

The NCC filed comments to EPA on the agency’s Biological Opinion (BiOp) for methomyl as it relates to the insecticide’s potential impact on endangered species. In the comments, the NCC explained that while methomyl’s use has declined with the advent of other products, its importance as a resistance management tool is paramount to controlling pests because 1) new tools are not close to being available to agriculture and 2) successful resistance management will continue to need methomyl in the foreseeable future.

In December, after being refused a comment period extension to review EPA’s risk assessment for inorganic arsenic, the NCC joined 10 groups on a letter to EPA Administrator Michael Regan asking him to reconsider the extension request. The EPA only allowed 60 days for review of about 600 pages of highly technical studies that were kept confidential up until release of the risk assessment. Later, the NCC filed industry comments and signed onto two coalitions’ comments regarding the Draft Integrated Risk Information System (IRIS) Toxicological Review of Inorganic Arsenic. The NCC also joined onto comments of two groups of which it is a member— the Pesticide Policy Coalition and the Arsenic Science Task Force. The risk assessment seeks to lower action levels for inorganic arsenic to use in future regulations. At the end of the year, the NCC filed comments in response to EPA’s request on the effects of dinotefuran and acetamiprid on endangered species and their habitats. In its comments, the NCC commended EPA on the work they had done in studying the issues.

However, NCC urged the agency to not use overly conservative modeling in their procedures and to not assume one hundred percent use of each product as allowed by the labels.

## **Biotechnology**

Throughout the year, the NCC worked with Congress and the Administration to ensure innovative biotechnology products are approved in a timely manner and are available to producers.

Early in the year, the NCC joined numerous other stakeholders on comments regarding the Request for Information on inefficiencies in the Coordinated Framework for the Regulation of Biotechnology that was opened for public comment by the Animal Plant and Health Inspection Service (APHIS). The comments pointed out that 1) over the last decade regulatory costs increased by 23% while the regulatory timeframes grew by 75%, and 2) while APHIS has been modernizing its regulatory structure, many improvements are still needed. The comments also suggested several risk-based and scientifically justified exemptions that could reduce costs/time.

In a letter to House and Senate agriculture committee leaders, the NCC joined other stakeholders to express their concern with a rule that was finalized by EPA regarding plant-incorporated protectants (PIPs) derived from gene editing. The letter stated that the final rule would suppress access to agricultural innovations greatly needed to reduce inputs, adapt to a changing climate and respond to increased pest and disease challenges. While EPA has exempted PIPs created by conventional breeding technology, and said that PIPs from gene editing posed "no greater risk" than their conventionally bred counterparts, it created new burdens that stakeholders/others believe will stifle innovation and give other countries the lead in agricultural technology development. The letter concluded by asking Congress to direct EPA to rescind the rule.

Late in the year, the EPA announced a solicitation for public comments and suggestions about seeds treated with a pesticide registered under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). Due to activist petitions, the agency is considering writing a new rule under FIFRA to regulate the use of treated seeds and treated paint products. Because this request is an Advanced Notice of Proposed Rulemaking (ANPRM), EPA is requesting comments/information from all stakeholders on the use and usage of treated seeds, including

storage, planting, and disposal, and to what extent treated seeds are being distributed, sold, and used contrary to treating pesticide product labeling instructions. The NCC continued to work closely with EPA on the possible enforcement of a new regulation.

### **Cotton Flow and Packaging**

The NCC was active on several fronts throughout the year addressing issues affecting the timely movement of baled cotton fiber to domestic and foreign customers, the acceptance of materials used to package U.S. cotton fiber, and the development of new, innovative packaging materials and techniques.

The Joint Cotton Industry Bale Packaging Committee (JCIBPC) granted two requests for continued testing of packaging products. PAC Strapping was granted approval to continue its compatibility testing of polyethylene terephthalate (PET) strap on patented p-weld friction technology® systems and L.P. Brown's light-weight cotton bale bag also was approved for continued testing for export in the West.

PAC Strapping's sixth-year PET compatibility test was granted a "JCIBPC determination" in order for bales in the test program to be deemed "deliverable" in accordance with Intercontinental Exchange (ICE) Cotton No. 2® rules. The Committee also approved the revised 2023 Cotton Bale Packaging Specifications, which included removing all reference to Standard Density bales and discouraging use of wire tags.

In mid-year, USDA-FSA notified the NCC that the Joint Cotton Industry Bale Packaging Committee (JCIBPC) 2023 Specification recommendations for Cotton Bale Packaging Materials were approved for Commodity Credit Corporation (CCC) loan program purposes. The 2023 Specifications are identical to the specifications for the previous year's crop except for the following revisions: 1) remove all references to Standard Density and (Compress) Universal Density, and 2) discourage the use of wire tags. The 2023 JCIBPC Specifications, on the NCC's website at [www.cotton.org/tech/bale/specs/](http://www.cotton.org/tech/bale/specs/), also include a test program review section that provides information on one continuing lightweight cotton bale bag test program and one continuing PET strap compatibility test program.

**Ginners were reminded of the importance of correct permanent bale identification (PBI) tag placement and formatting.**

The JCIBPC sent a notice to gins reminding them of the importance of correct permanent bale identification (PBI) tag



placement and formatting ahead of the upcoming season. An educational flyer also was distributed outlining the proper placement of PBI and safety tags on bales.

The NCC maintains a database of approved wrap products on its website to inform purchase decisions. Purchasers of round module wrap are encouraged to purchase wrap material that meets the American Society of Agricultural and Biological Engineers (ASABE) Cotton Module Cover Material Performance Standard.

The ASABE standard was developed to protect the industry against inferior wrap products that are entering the U.S. market. Round module wrap not meeting this standard may neither perform as intended nor protect stored seed cotton from quantity/quality losses. Specifically, these inferior products may increase the chances of plastic contamination entering seed cotton and ginned lint. The standard was developed using measurements from wrap products that perform at levels acceptable to the U.S. cotton industry.

### **Research and Education**

The 850 attendees at the 2023 Beltwide Cotton Conferences (BWCC) in New Orleans, were offered multiple presentations on key issues and the latest research and technology that can impact the U.S. cotton industry. The forum provided attendees with insight on ThryvOn™ cotton; herbicide resistance; the U.S. Cotton Trust Protocol®; changes in weather patterns and the impact on crops; regulatory updates; pesticides and the Endangered Species Act; new precision agriculture technologies; retail inventory/supply chain status of fertilizer and chemistries; and dicamba usage.

Attendees were also provided updates on timely topics ranging from remote sensing and robotics to soil health and sustainability. Dr. Michael Gore, noted scientist and professor in Cornell University's School of Integrative Plant Science, received the 2022 Cotton Genetics Research Award.

Early in the year, the International Textile Manufacturers Federation's (ITMF) released its "Cotton Contamination Survey 2009–2022." Survey findings specific to the United States showed that U.S. growths were perceived to be slightly more contaminated in 2022 than in 2019 but are still among the least contaminated growths. The survey results highlighted the importance of the NCC's "Contamination-Free Cotton" campaign and the continuing need to reduce contamination in U.S. cotton. The NCC continued to encourage producers and ginners to utilize the NCC-developed video, "Prevention of Plastic Contamination," as an educational tool for themselves and their employees.



**Participants gained insights into ginning operations as part of the three well-attended Ginner Schools including this one in Lubbock, Texas.**

The 2023 Cotton Ginners Schools were well attended. The 36th annual schools, which the NCC supports along with

the National Cotton Ginners Association (NCGA), were held over three days. Among topics covered were seed cotton drying/cleaning through the ginning process and gin waste disposal methods. The schools' overall emphasis was to increase ginning efficiency, turn out high quality fiber and a focus on improving safety.

Throughout the year, the NCC urged cotton producers to read pesticide labels carefully and to consult EPA's Bulletins Live! Two website within six months prior to pesticide application even if not in a pesticide use limitation area. The NCC advised producers to maintain pesticide

application records that included a copy of the bulletin, printed or digital, to keep on file—a step that could prevent legal repercussions.

# Cotton Council International

Major activities carried out during 2023.

In 2023, Cotton Council International (CCI), the National Cotton Council's export promotion arm, continued to position U.S. cotton as the "The Cotton the World Trusts" and expand foreign demand for U.S. cotton fiber, yarn and other cotton products.

With more than 65 years of experience, CCI continues its mission of making U.S. cotton the preferred fiber for mills/manufacturers, brands/retailers and consumers. Promoting this value-added premium worldwide delivers profitability across the U.S. cotton industry and drives export growth of U.S. fiber, yarn and other cotton products. CCI's reach, in fact, extends to more than 50 countries through 20 offices.

## Trade Missions

Cotton textile leaders who participated in the COTTON USA™ Executive Delegation to Latin America expect to purchase an additional 553,000 bales of U.S. cotton, valued at approximately \$214 million. The delegation traveled to Mexico, Guatemala and Peru, all among the top 20 export markets for U.S. cotton fiber. In MY 21/22, U.S. domestic mills exported over 2 million bale equivalents of cotton yarn, thread and fabric to Latin America, solidifying it as the No. 1 export destination for U.S. value-added cotton exports. Crucial to sustaining U.S. cotton exports to the region, the Executive Delegation enabled U.S. cotton industry leaders to strengthen relationships with representatives from all sectors of the Latin American textile industry.



**Bangladesh relaxed its nearly-five-decade-long fumigation requirement on**

**U.S. cotton imports following a CCI-sponsored visit in 2022 and efforts by USDA's FAS office in Dhaka.**

Bangladesh's Agricultural and Commerce Ministries' decision to lift its nearly-five-decade-long fumigation requirements on U.S. cotton came after six Bangladesh Ministry of Agriculture delegation members joined a CCI-sponsored U.S. cotton tour from Oct. 30–Nov. 5, 2022. Thanks to coordination with the National Cotton Council (NCC), the Bangladesh Ministry of Agriculture delegation conducted U.S. cotton meetings in Tennessee, Mississippi and Texas. They met with U.S. cotton industry representatives and visited cotton fields, gins and warehouses, and the USDA Agricultural Ginning Research Laboratory in Stoneville, Miss. The officials saw firsthand how U.S. cotton bales do not harbor boll weevils due to the highly successful Boll Weevil Eradication Program. Coupled with indispensable efforts by the U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS) office in Dhaka, these

efforts ultimately convinced the Bangladesh government to relax fumigation requirements in May.

## **Sourcing Events**

Participants who attended COTTON USA™ Sustainability Sourcing Fairs in 2023 expect to purchase an additional \$262 million worth of U.S. cotton-rich products over the next two years. CCI promoted the value of U.S. cotton at its two Sourcing Fairs—hosted in Ho Chi Minh City, Vietnam, and Cancun, Mexico—and connected U.S. cotton buyers and sellers via 4,000 pre-arranged meetings to move more U.S. cotton through the global supply chain. Participants represented yarn, fabric and garment manufacturers, as well as brands and retailers. After attending these Sourcing Fairs, 100% of participants said they are likely to recommend future sourcing fairs to their colleagues, and 92% said they are likely to purchase U.S. cotton-rich products in the future.

## **Education**

CCI hosted two U.S. Cotton Academies in 2023—in Bangkok, Thailand, in May and Colombo, Sri Lanka, in August—to give emerging leaders within the global textile industry a comprehensive education on U.S. cotton, specifically its benefits and differences when compared to cotton sourced from other regions. CCI’s goal is to convince this audience of the advantages of U.S. cotton and build their loyalty to U.S. cotton early in their careers, which will ultimately contribute to sustained U.S. cotton exports over time as they advance in their companies with more decision-making responsibilities. Participants came from Northeast Asia, Southeast Asia, South Asia, and Turkey, some of the largest markets for U.S. cotton exports.

**Textile representatives representing 15 countries gained a deeper understanding of why U.S. cotton is the world’s preferred fiber when they traveled across the Cotton Belt as part of the weeklong COTTON USA Orientation Tour.**

Some of U.S. cotton’s largest textile mill customers from 15



countries visited the U.S. Cotton Belt on the weeklong COTTON USA Orientation Tour to learn more about the U.S. industry and enhance business relationships that will impact U.S. cotton exports. Executives from 27 companies in Bangladesh, China, Colombia, El Salvador,



Guatemala, India, Indonesia, Japan, Korea, Mexico, Pakistan, Taiwan, Thailand, Turkey and Vietnam joined this year's COTTON USA Orientation Tour.

Specifically, this biennial tour enabled these important U.S. cotton customers to visit a Mid-South farm and gin, a farm and warehouse in Texas, and a Pima farm in California; observe cotton research in North Carolina and Mississippi; and tour a USDA cotton classing office. They also met with U.S. cotton exporters and had briefings from CCI, the NCC, Cotton Incorporated, the American Cotton Shippers Association, the Texas Cotton Association, the Lubbock Cotton Exchange, AMCOT, the American Cotton Producers, the Delta Council, Plains Cotton Growers, Inc., the Western Cotton Shippers Association, and Supima.

The U.S. will export an estimated 2.9 million bales of cotton to those countries—about 23 percent of U.S. cotton export sales—making these companies some of U.S. cotton's largest customers. The participating textile companies expect to consume 5.7 million bales of cotton in 2023.

### **Cotton Days**

At Cotton Days throughout Asia, CCI showed textile industry players that “the journey to a smart cotton future starts with U.S. cotton fiber.” United by this theme, CCI hosted invitation-only Cotton Days to celebrate the importance of U.S. cotton to global mills and expand its usage. To increase mills', manufacturers' and brands'/retailers' preference for U.S. cotton, Cotton Days educated this audience on U.S. cotton's superior fiber qualities and its business-building programs that support exports of U.S. cotton fiber, yarns and fabrics.

### **CCI Cotton Days, including this one held in China, resulted in significant purchases of U.S. raw cotton.**

Among other positive events was a CCI-hosted annual COTTON DAY in Jakarta that attracted nearly 400 Indonesian textile industry personnel. CCI was able to celebrate the importance of U.S. cotton to Indonesian mills and expand our fiber's usage.



Specifically, the attendees learned 1) about the U.S. Cotton Trust Protocol's impact on escalating U.S. cotton's sustainability and 2) how they could achieve peak performance with U.S. cotton through COTTON USA SOLUTIONS® and its five business-building programs that show how using U.S. cotton can boost a textile mill's productivity, efficiency and profitability.

With a focus on teamwork, innovation and change, CCI will continue working throughout the global supply chain in 2024 with the goal of keeping U.S. cotton the first choice among textile manufacturers worldwide.

# The Cotton Foundation

Major activities carried out during 2023.

The Cotton Foundation continued its important role in industry members' quest for profitability by assisting in ongoing research and education efforts. The Foundation Board of Trustees approved funding for 14 general research projects totaling \$282,000 for 2023–2024. Approved projects covered research and educational efforts related to pest management, sustainability, contamination detection, agronomic practices, regulatory issue information gathering, and education.

Some Foundation member firms continued to provide grants over and above their dues to fund special projects such as the Producer Information Exchange, a program that launched in 1989. The program is sponsored by BASF Agricultural Solutions through a grant to The Cotton Foundation.



**The Policy Education Program, whose participants met with key government officials and Congressional Members in Washington, DC, was among the many successful ongoing Foundation special projects.**

Multiple Foundation member firms continued to sponsor special projects for 2023–24. This enabled the NCC to continue the Producer Information Exchange, Policy Education, and Multi Commodity Education programs.

Through the Foundation, support was also maintained for vital NCC communications vehicles, including the Cotton's Week newsletter. In addition, the Foundation's underpinning of the NCC's web server made it possible for the NCC to continue posting valuable educational materials, including streaming video, for industry members.

Cotton Foundation trustees elected for the 2023–2024 fiscal year included producers: Philip Edwards, III, Smithfield, VA; David Light, Rolla, KS; and Todd Rovey, Buckeye, Arizona.

Allied industry trustees elected were Jennifer Crumpler, Bayer; Macie O’Shaughnessy, Syngenta; Travis Becton, John Deere; Andrew Conner, BASF; Eric Castner, FMC; Kelly Fenner, Seal Transportation; Jeffrey Smith, Valent; and Russell Sutton, Lummus. Independent Consultant Association trustees elected included Rogers Leonard, St. Joseph, LA; Hank Jones, Winnsboro, LA; and Jack Royal, Leary, Georgia.

Foundation 2023–2024 officers are: Dean Calvani, chairman and Sam Whitaker, president. Other elected officers were Gary Adams, executive vice president; Matthew Rekeweg, treasurer; and Drew Davis, assistant treasurer.