

# **NCC Farm Policy Update**

**Great Plains Cotton Conference  
February 26, 2020**

**Craig Brown**



**Producers      Cooperatives  
Ginners      Cottonseed      Merchants  
Warehouses      Manufacturers**

# Topics

- End of Year Policy Progress
- 2020 Policy Agenda
- 2020 Industry Priorities
- China Trade Deal
- Regulatory Issues
- 2020 Election
- Sustainability

# End of Year Policy Progress

- Full government funding for FY `20 – Agriculture Appropriations
  - MAP and FMD fully funded
  - Boll weevil eradication - \$11.52 M
  - ARS cotton ginning labs
  - Cotton Leaf Roll Dwarf Virus research - \$5 M
- House and Senate approval of US-Mexico-Canada Agreement (USMCA)
  - Agreement signed this week by President; awaiting Canadian approval
- Phase 1 trade deal with China
  - Agreement takes effect Feb. 14

# 2020 Policy Agenda

- Implementation of China deal
- Funding for FY `21
  - expect short-term measure for Oct. 1, 2020 until after `20 elections
- Healthcare
- Infrastructure package?
- Ag. labor/immigration package?
- Highway/transportation bill?

# 2020 Industry Priorities

- Implementation of WHIP+ changes
- MFP for 2020 – pending impact of China trade deal?
- Phytosanitary challenges in export markets
  - Bangladesh, Pakistan
- Crop insurance enhancements – hurricane coverage
- H-2A certainty for gins
- Conservation program updates – CSP and EQIP
- Caribbean Basin Trade Partnership Act reauthorized
- Prevent damaging trade policy changes – GSP trade preferences reauthorization

# China Trade Deal

- \$100 B per year increase in imports over 2017 baseline levels
  - Both 2020 and 2021
- Agriculture, energy (\$50B), manufactured goods (\$75B), services (\$35B)
- Agriculture = about \$40 B per year total, potentially \$50 B
  - Baseline of \$24 B, results in \$16 B increase
  - Cotton = \$1 B in 2017 (2.5 M bales)
- China retaliatory tariffs remain in place – will require China to issue import quota to allow purchases without paying tariff
- China says purchases will be “based on market conditions and consistent with WTO rules”

# Regulatory Issues

- New WOTUS rule
- Glyphosate re-registration needed by 2022
- Dicamba re-registration/label needed for 2021
- Pyrethroids, Neonics, Organophosphates
  - EPA risk assessments underway, including pollinator risks
  - Potential product-specific training

# 2020 Senate Races

| SOLID D  | LIKELY D             | LEAN D    | TOSS UP  | LEAN R    | LIKELY R   | SOLID R  |
|--|----------------------|-----------|--|-----------|--|--|
| DE-Coons<br>IL-Durbin*<br>MA-Markey<br>NH-Shaheen<br>NJ-Booker<br>OR-Merkley<br>RI-Reed<br>VA-Warner | MN-Smith*<br>NM-Open | MI-Peters | AL-Jones<br>AZ-McSally<br>CO-Gardner<br>ME-Collins | NC-Tillis | GA-Perdue<br>GA-Loeffler*<br>IA-Ernst*<br>KS-Open<br>KY-McConnell*<br>MS-Hyde-Smith* | AK-Sullivan<br>AR-Cotton<br>ID-Risch<br>LA-Cassidy<br>MT-Daines<br>NE-Sasse<br>OK-Inhofe<br>SC-Graham<br>SD-Rounds<br>TN-Open<br>TX-Cornyn<br>WV-Moore Capito<br>WY-Enzi |

- 12 Senators in Cotton Belt states are up for re-election in 2020:
  - Jones (AL)
  - Cotton (AR)
  - McSally (AZ)
  - Perdue (GA)
  - Loeffler (GA)
  - Cassidy (LA)
  - Hyde-Smith (MS)
  - Tillis (NC)
  - Inhofe (OK)
  - Graham (SC)
  - Cornyn (TX)
  - Warner (VA)
- 3 open seat races: Kansas (Roberts), New Mexico (Udall) & Tennessee (Alexander)

**BOLD INDICATES COTTON BELT MEMBER, ASTERISK INDICATES MEMBER OF AG COMMITTEE**

RATINGS ACCORDING TO THE COOK POLITICAL REPORT AS OF DECEMBER 16, 2019

# 2020 House Races

## SOLID SEATS

## LIKELY/LEAN SEATS

## TOSS-UP OR WORSE

D - 182 R - 161

D - 35 R - 30

D - 18 R - 8

| LIKELY DEM. (19)   | LEAN DEM. (18)   | DEM. TOSS UP (17)  | REP. TOSS UP (5)   | LEAN REP. (11)  | LIKELY REP. (20)   |
|--|--|--|--|---|--|
| <b>AZ-02 Kirkpatrick*</b><br>CA-07 Bera<br>CA-49 Levin<br>CO-06 Crow<br>FL-26 Mucarsel-Powell<br>FL-27 Shalala<br>IL-17 Bustos*<br>IA-02 Loeb sack<br>MN-03 Phillips<br><b>NC-02 Open</b><br><b>NC-06 Walker</b><br>NJ-05 Gottheimer<br>NJ-11 Sherrill<br>NV-04 Horsford<br>NY-18 Maloney*<br>PA-07 Wild<br>PA-17 Lamb<br>VA-10 Wexton<br>WA-08 Schrier*<br>WI-03 Kind | <b>AZ-01 O'Halleran*</b><br><b>CA-10 Harder*</b><br><b>CA-21 Cox*</b><br>CA-25 Open<br>CA-39 Cisneros<br>CA-45 Porter<br>CA-48 Rouda<br>IL-06 Casten<br>KS-03 Davids<br>MI-11 Stevens<br>MN-02 Craig*<br>NH-01 Pappas<br>NJ-07 Malinowski<br>NV-03 Lee<br>PA-08 Cartwright<br>TX-07 Fletcher<br><b>TX-23 Open</b><br><b>TX-32 Allred</b><br><b>VA-07 Spanberger*</b> | GA-06 Mc Bath<br>IA-01 Finkenauer<br>IA-02 Open<br>IA-03 Axne*<br>IL-14 Underwood<br>ME-02 Golden<br>MI-08 Slotkin<br>MN-07 Peterson*<br>NJ-03 Kim<br><b>NM-02 Torres Small</b><br>NY-11 Rose<br>NY-19 Delgado*<br>NY-22 Brindisi*<br>OK-05 Horn<br><b>SC-01 Cunningham</b><br>UT-04 McAdams<br><b>VA-02 Luria</b> | GA-07 Open<br>IL-13 Davis*<br>MI-03 Amash (I)<br>PA-10 Perry<br><b>TX-22 Open</b><br><b>TX-24 Open</b> | <b>AZ-06 Schweikert</b><br>FL-15 Spano<br>IN-02 Open<br>NE-02 Bacon*<br>NJ-02 Van Drew<br>NY-02 Open<br>OH-01 Chabot<br>PA-01 Fitzpatrick<br><b>TX-10 McCaul</b><br><b>TX-21 Roy</b><br><b>TX-31 Carter</b> | AK-AL Young<br><b>CA-22 Nunes</b><br>FL-16 Buchanan<br>IA-04 King<br>KS-02 Watkins<br>KY-06 Barr<br>MI-06 Upton<br>MN-01 Hagedorn*<br>MN-08 Stauber<br>MO-02 Wagner<br>MT-AL Open<br><b>NC-09 Bishop</b><br><b>NC-13 Budd</b><br>NY-01 Zeldin<br>NY-24 Katko<br>OH-12 Balderson<br>PA-16 Kelly<br><b>TX-06 Wright</b><br><b>VA-05 Riggleman</b><br>WA-03 Herrera<br>Butler<br>WI-07 Open |

- **53** competitive races
- **35** total open seats
- **14** open seat races in Cotton Belt districts: AL-1, AL-2, FL-3, GA-7, GA-14, KS-1, NC-2, NC-6, TX-11, TX-13, TX-17, TX-22, TX-23, TX-24
- **6** toss-up races in Cotton Belt districts: GA-7, NM-2, SC-1, TX-22, TX-24, VA-2
- Additional race we are tracking: *MN-07 – Collin Peterson: R+12 district – Ag. Comm. Chairman*

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# Other Election Considerations

*Republican Leadership on Senate & House Ag. Committees to Change*

## Senate



**Senator John Boozman (R-AR)**

Expected to be the new Republican leader of the Senate Agriculture Committee

## House



**Rep. Rick Crawford (AR-1)**



**Rep. Austin Scott (GA-8)**



**Rep. Glenn Thompson (PA-15)**

Top contenders for Republican leader of House Ag. Committee— all seeking more help and asking PACs to help key Members who will be important to their selection for this position



**U.S. COTTON**  
**TRUST PROTOCOL**

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**SUSTAINABILITY**



# U.S. COTTON'S JOURNEY TO SUSTAINABILITY

1970's +

Cotton Producers  
Increased  
Management and  
Environmental  
Practices

2013

Cotton LEADS  
Producers'  
commitment to  
sustainability.  
Message conveyed  
to Manufacturers,  
Brands and  
Retailers with over  
500 partners.

2017

Cotton USA  
Sustainability Task  
Force  
More information  
needed from  
Supply Chain.  
Emphasis on  
continuous  
improvement. Set  
national goals for  
key environmental  
metrics with a  
target date of  
2025.

2018

U.S. Cotton Trust  
Protocol  
Engage producers  
in continuous  
improvement. Can  
help the industry  
reach its 2025  
goals. Will provide  
aggregate data to  
the supply chain.

# U.S. COTTON GOALS FOR CONTINUOUS IMPROVEMENT BY 2025

Land Use  
Efficiency



13%

Soil Loss



50%

Water



18%

Energy



15%

GHG



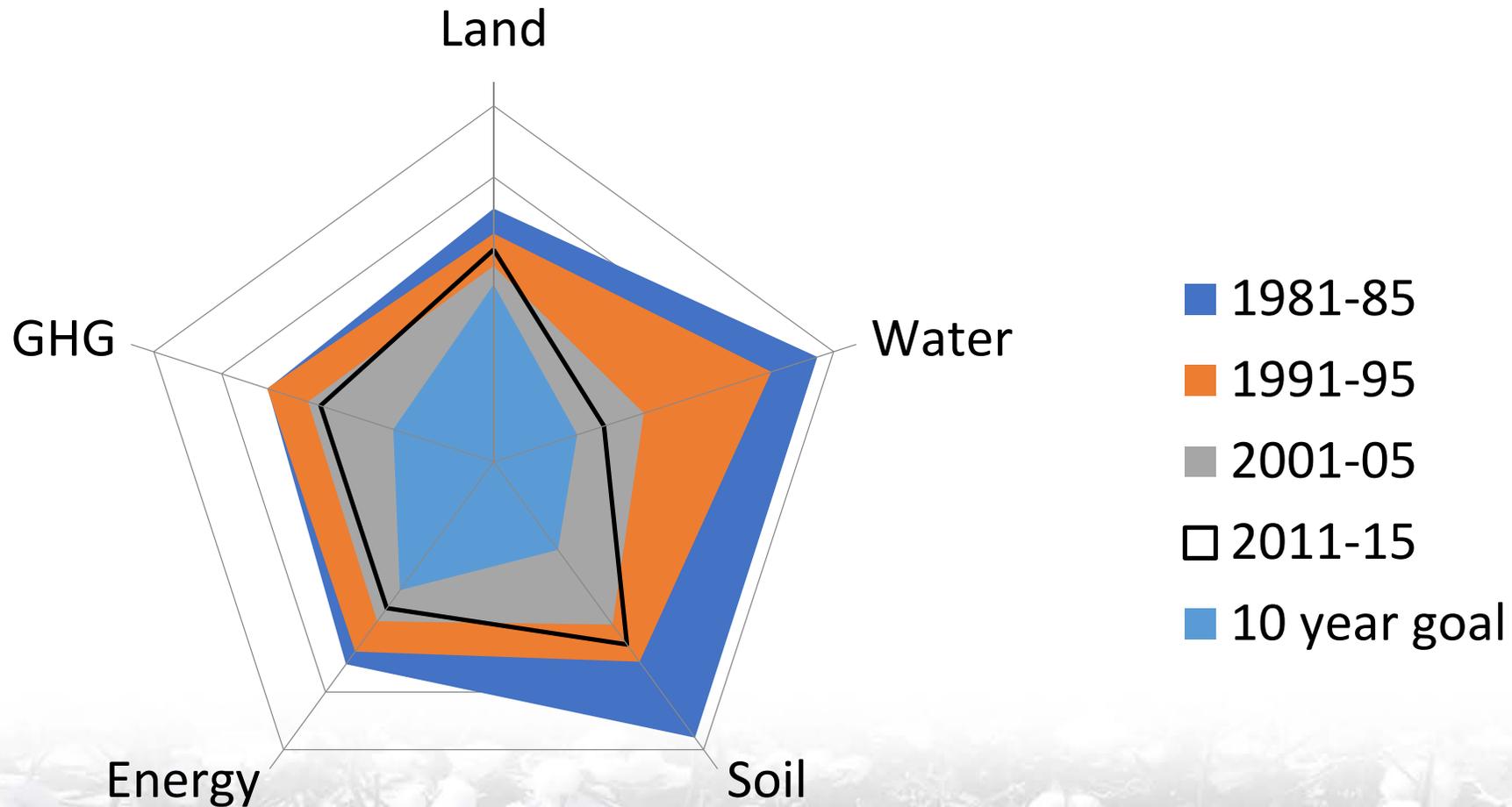
39%

Soil  
Carbon



30%

# BY ACHIEVING GOALS, THE FOOTPRINT SHRINKS



# U.S. COTTON TRUST PROTOCOL

- Two questions to answer
  - ✓ **What is the Protocol?**
  - ✓ Why do we need it?



# U.S. COTTON TRUST PROTOCOL

- A voluntary farm-level program designed to engage growers in continuous improvement
- A program that can help the industry reach its 2025 goals
- A system that will provide aggregate data that can be passed through the textile supply chain which includes: producers, merchandisers, manufacturers, brands and retailers and others

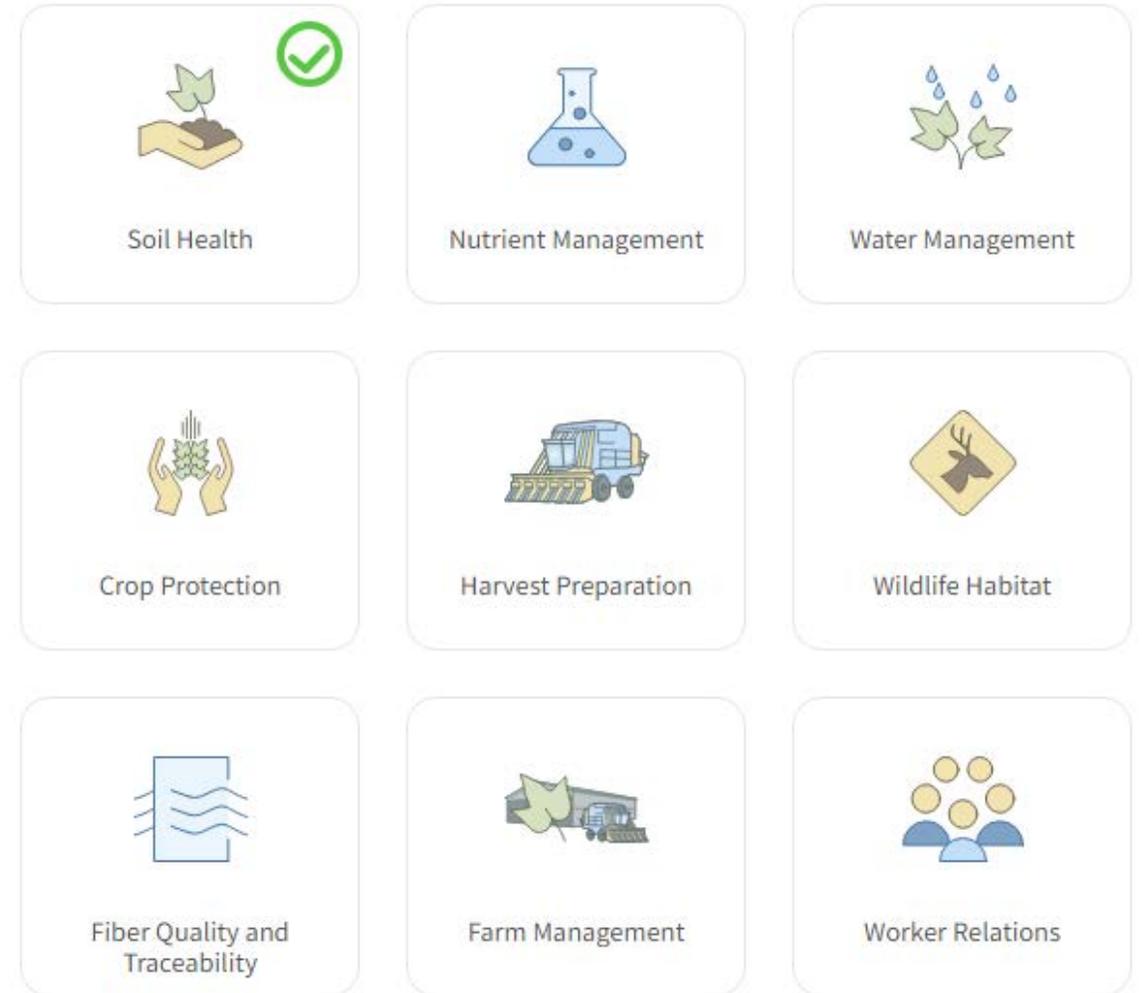
# KEY REQUIREMENTS FOR THE PRODUCER

- Self-assessment against standards
- Use of a data tool for environmental metrics
- Farming operation profile
- Verification by an independent party



# SELF-ASSESSMENT QUESTIONNAIRE

- 9 categories with approx. 100 questions
- Choices for answers
  - A. I do this now on my operation
  - B. I am implementing on 1 or more of my fields
  - C. I will consider in next 3 years
  - D. Not appropriate for my farming operation



# DATA TOOLS

- Field to Market tool named the FieldPrint Platform
  - Record inputs into a system that measures the environmental impacts of crop production and identify opportunities for improvement
- Additional qualified data management Field to Market partners who can make these recordings for the producer

Measurement of input usage and production practices is a key component of continuous improvement. The following applications provide tools to help you analyze the efficiency and environmental impact of your farming operations.

Please select the software applications you are currently using in your farming operations:

|   |   |   |
|---|---|---|
| <br>Field to Market<br>Fieldprint Calculator | <br>AgConnections  <br>Land.db           | <br>Agrible                  |
| <br>MyFarms                                  | <br>Precision Conservation<br>Management | <br>TruTerra Insights Engine |

Other software applications, not listed above (if you are not currently using a tool, enter "no farming data tool used at this time"):

*Note: Program Administrators may require additional information regarding items listed here.*

Save

# VERIFICATION

- Validate accurate use of the on-line enrollment tool such as the self-assessment questionnaire and the data tool.
- A statistically valid random sample of the producers will be selected each year for an independent third-party verification of their questionnaire and data.



# WHY DO WE NEED IT?

- Continuous Improvement
- To Achieve Industry Goals
- To Meet the Needs of our Customers
- To Be the Supplier of Choice



**U.S. COTTON**  
**TRUST PROTOCOL**  

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**SUSTAINABILITY**

[trustUScotton.org](https://trustUScotton.org)



**Thank you for your involvement and  
the support of YOUR industry**



**Producers   Cooperatives  
Ginners   Cottonseed   Merchants  
Warehouses   Manufacturers**