



November 5, 2015

The Honorable Tom Vilsack
Secretary, U.S. Department of Agriculture
1400 Independence Ave, SW
Washington, DC 20250

Dear Secretary Vilsack:

I write today out of concern for our members engaged in cotton production. As you are well aware, when Congress passed the Agricultural Act of 2014, the bill eliminated a number of commodity programs important to cotton. As a result of this change, cotton is no longer a “covered commodity.” Our cotton-producing members are critical of the effectiveness to address multi-year price declines by the new Stacked Income Protection Plan (STAX) program.

These NFU members continue to experience price declines resulting from increased international government supports, Chinese stockpiling of cotton and competition from manmade fibers. Combined, these factors have resulted in a number of bad years in a row for growers and a flat outlook into the future. We have a responsibility to these producers to ensure that an effective safety net is in place to safeguard cotton’s future here in the U.S.

NFU supports the reinstatement of cotton as a covered commodity. We also recognize the trade challenges that would arise. As a potential compromise to this position, we support secretarial action designating cottonseed as an “other oilseed” in order to help address the current economic pressures faced by producers. As an “other oilseed” this product would be a covered commodity for the purpose of the Agricultural Risk Program (ARC) and the Price Loss Coverage (PLC) program.

Cottonseed value has oscillated over the years, but the seed represents a marketable portion of the boll’s value. Given its uses and value, there is little reason not to classify the seed as an “other oilseed.” The 2014 Farm Bill included statutory authority for the U.S. Department of Agriculture to make this designation for purposes of farm bill programs. This move would buy time for the cotton sector to get back on its feet in the face of a distorted international market.

We urge you to provide relief through implementation of the program as early as the 2015 crop. For the 2015 crop, streamlined implementation can be achieved by offering producers the option to receive cottonseed ARC/PLC payments on cottonseed acres attributed to generic base without penalizing producers who made other covered commodity program planting decisions.

Failure to address this problem will only exacerbate a trend that has seen double-digit declines in everything from planted acres to the cotton processing sector. We appreciate your consideration in this matter and stand ready to provide any assistance your department might require.

Sincerely,



Roger Johnson
President