

2025 National Cotton Council Report to Members

Highlights NCC work on key cotton issues during 2024.



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 87,000 workers and produce direct business revenue of more than \$23 billion. Total economic activity stimulated by the crop in the U.S. economy is estimated at over \$103 billion.

This report is sponsored by Farm Credit.



Joint Message from the Chairman and the President

Prior to and throughout 2024, the National Cotton Council (NCC) focused its efforts on shaping policies for a new farm bill.

The NCC has been proactive in communicating its priorities to Congress and the Administration, advocating for a meaningful farm bill that includes an effective safety net and comprehensive risk management tools.

Last year's crop was covered by the 1-year extension approved by Congress and signed by President Biden in 2023. However, as the NCC has stressed to Congress, simply extending the current bill did not provide an adequate safety net given today's costs of production. It was essential that a new farm bill was passed that increases reference prices to a more meaningful level.

The NCC has also asked Congress to remove the prohibition between purchasing the STAX insurance product and enrollment in the PLC program. In addition to passing a new Farm Bill last year or in 2025, it was critical that Congress provide some type of short-term support for both disaster and economic losses facing producers.

The NCC spearheaded a letter to House and Senate leaders calling for a new farm bill with enhanced safety net provisions for producers. The letter, which was signed by over 300 organizations representing commodities, lenders, and other rural interests, pointed out that the current Title I safety net had not kept pace with inflation.

In conjunction with the letter, the NCC organized multiple commodity groups and lenders in visits to nearly 100 House and Senate offices, including key Congressional Leadership offices in both Chambers.

The Council convened a Strategic Planning Task Force, consisting of eighteen industry members representing all segments and production regions. The purpose of the Task Force was to assess the global economic landscape and competitive forces facing the U.S. cotton industry and identify strategies, policies and initiatives that would enhance the competitiveness of U.S. cotton, U.S. cotton textile products and U.S. cottonseed.

On the regulatory front, the industry received devastating news as the 9th Circuit Federal District Court in Arizona vacated the dicamba label for over-the-top use. In response, EPA granted growers a flexible existing stock order that allows growers to access dicamba already in the retail supply chain. The NCC turned its attention to the very challenging task of securing a label for 2025.

In terms of issues threatening the reputation of U.S. cotton, the Council is closely monitoring lint contamination being reported by our textile customers – most of them involving plastic contamination. Lint contamination is negatively affecting the economic health of the entire industry. For that reason, we are continuing our contamination prevention educational efforts.

As exports are essential to U.S. cotton's viability, the cotton industry stands to benefit from the U.S. Department of Agriculture's announcement to provide another \$300 million in competitive grant funding through the Regional Agricultural Promotion Program (RAPP), which is geared toward applicants seeking to open markets in Africa, Latin America, the Caribbean, and South and Southeast Asia. Cotton Council International received \$19 million from this first round of RAPP, the third largest award among agricultural organizations.

The NCC also continues to support the work of the U.S. Cotton Trust Protocol. This sustainability initiative will significantly improve our cotton's marketability. The NCC is pleased to report that planted acreage enrolled in the Trust Protocol grew to 2.1 million acres, a 31% increase from the previous year, demonstrating a strong industry commitment to responsible production.

The Cotton Foundation Board of Trustees approved funding for 17 general projects totaling \$436,005. Approved projects covered research and educational efforts related to pest management, sustainability, contamination detection, agronomic practices, regulatory issue information gathering, and education.

More details of the NCC's 2024 activities follow under the major headings of Legislative Affairs, Trade, Communications, Technical, Cotton Council International and The Cotton Foundation.

Joe Nicosia, Chairman (2024)

Gary Adams, President/Chief Executive Officer



Joe Nicosia
Chairman (2024)



Gary Adams
President/Chief Executive Officer

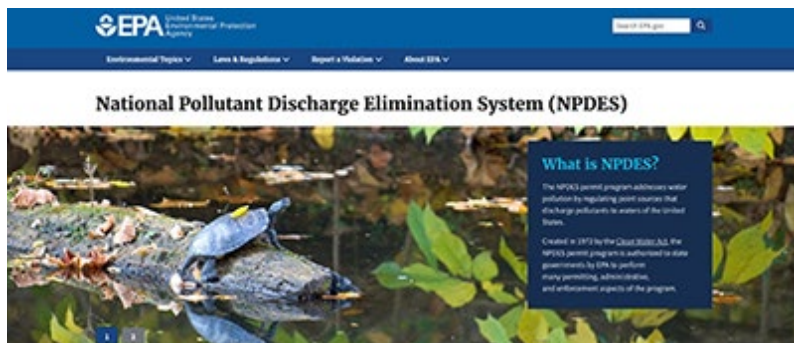
Legislative Affairs

Major activities carried out during 2024.

Early in the year, the NCC filed comments with USDA regarding the agency's rulemaking on implementation of the Emergency Relief Program (ERP) for 2022. Cotton growers faced severe weather events, prompting Congress and the Biden Administration to allocate \$3.74 billion in relief. However, the USDA's approach, particularly the progressive payment factor and reliance on Schedule F tax documents, was seen as penalizing those with the largest losses. The NCC urged the USDA to adopt a more equitable and efficient method for compensating losses.

The NCC joined nearly 50 agriculture organizations on a letter to USDA Secretary Tom Vilsack and Office of Management and Budget Director Shalanda Young urging them to avoid any cuts to the federal crop insurance program. As the letter pointed out, farmers collectively contribute \$6.8 billion per year to the purchase of crop insurance and in many policies, must incur losses of almost 30 percent before their coverage pays out. The letter argued that these factors, as well as the fact that crop insurance policies are tied to market principles and aid in conservation, making the federal crop insurance program a good taxpayer investment.

The NCC also joined over 20 agriculture organizations in a letter thanking key legislators for sponsoring the AM Radio for Every Vehicle Act, which mandates automakers to maintain AM radio in new vehicles. AM radio is crucial for emergency alerts and news in rural areas, reaching up to 700 miles and functioning during power outages. The NCC and other organizations endorsed the bill in December 2023, emphasizing its importance for rural communities.



The Pesticide Policy Coalition (PPC), in which the NCC is a member, submitted comments to the EPA on the Draft 2026 NPDES (National Pollutant Discharge Elimination System) Pesticide General Permit (PGP).

The NCC supported four letters addressing key industry issues. As part of the Pesticide Policy Coalition (PPC), the NCC endorsed a letter to the House Transportation & Infrastructure Committee advocating against redundant pesticide discharge permits, emphasizing that the EPA already rigorously evaluates pesticides for water safety. This letter supported H.R. 5089,

which passed out of committee. Additionally, the NCC backed a letter to the House Ways & Means Committee urging the passage of the Miscellaneous Tariff Bill. The NCC also joined 363 signatories in a letter to the House Appropriations Committee, advocating for the inclusion of Section 461 in the final appropriations bill to reaffirm the EPA's primary authority on pesticide decisions, thereby reducing the impact of inconsistent state and local regulations. Lastly, as a member of the Waters Advocacy Coalition, the NCC supported three bills (H.R. 7023, 7026, & 7021) aimed at improving water permitting processes and public involvement, with H.R. 7023 also passing out of committee.

The NCC has consistently opposed the Department of Labor's (DOL) Adverse Effect Wage Rates (AEWR) for H-2A workers. In February, the NCC joined other agricultural organizations in supporting a letter led by Senator Tommy Tuberville (R-AL) to freeze H-2A wages at 2023 levels and reinstate a 14-day implementation window. In the letter, former NCC Chairman Shawn Holladay praised these efforts to protect American farms from rising costs. Despite the DOL's final rule raising AEWR and expanding labor protections, a federal court in Georgia recently halted these regulations in 17 states, ruling they exceeded the National Labor Relations Act's scope.

Following a January 31 House Budget Committee hearing, the NCC submitted comments expressing concerns about the Congressional Budget Office's (CBO) estimation practices. The NCC highlighted that the CBO often releases topline budget impact estimates without adequately explaining the underlying assumptions and methodologies. This lack of transparency, according to the NCC, led to erroneous conclusions in the CBO's ten-year budget baseline for federal farm program costs in May 2023. The NCC emphasized that greater transparency from the CBO would assist in drafting a new farm bill and reduce the likelihood of future errors.

In March, the NCC joined various organizations in urging the Senate to delay the implementation of the Corporate Transparency Act (CTA). The NCC highlighted that the CTA's requirements would impose costly mandates on small businesses. Despite the House passing a delay, the Senate did not act right away. The NCC has actively opposed the CTA due to its burdensome reporting requirements. Later in May, the NCC supported efforts led by Representative Warren Davidson (R-OH) and Senator Tommy Tuberville (R-AL) to repeal the CTA. The NCC, along with nearly 100 organizations, endorsed House and Senate efforts to repeal the act, arguing that the rules would affect nearly every small business in America while offering minimal benefits to law enforcement. The CTA, which established beneficial ownership reporting requirements to target illicit shell corporations, went into effect on January 1. However, efforts to delay its implementation remained stalled in Congress.

The Food and Agriculture Climate Alliance, which the NCC is a member, submitted a letter to House and Senate appropriators. This letter advocated for increased funding for various conservation initiatives in the fiscal year 2025. Among the numerous requests, the letter

specifically called for at least \$1.2 billion for the USDA's Natural Resources Conservation Service to support voluntary, incentive-based conservation programs. It also requested at least \$1.95 billion for USDA's Agricultural Research Services, emphasizing the critical role ARS research can play in addressing methane emissions. These requests highlighted the importance of supporting climate-smart agricultural practices.

Sen. John Hoeven, R-N.D., with (from left) Patrick Johnson of the National Cotton Council and Mark Watne of the North Dakota Farmers Union, talks about the FARMER Act.



In April, NCC Vice Chairman Patrick Johnson participated in a press conference to support new legislation aimed at improving crop insurance affordability. Senator John Hoeven (R-ND) introduced the Federal Agriculture Risk Management Enhancement and Resilience (FARMER) Act, which proposes increasing premium support for the Supplemental Coverage Option (SCO) from 65% to 80%. The bill also seeks to raise premium support for other types of crop insurance and mandates a study by USDA's Risk Management Agency to enhance the effectiveness of SCO in counties larger than 1,400 square miles. The FARMER Act has garnered support from six Senators, including Agriculture Committee Ranking Member John Boozman (R-AR). Provisions of this legislation may influence future crop insurance reforms in a new farm bill. During the press conference, Johnson highlighted the consistent feedback from cotton producers nationwide about the need for increased premium support to better manage risk through higher coverage levels.

Also in April, the USDA's National Agricultural Statistics Service (NASS) announced the discontinuation of the Cotton Objective Yield (OY) Survey and all County Estimates for Crops and Livestock starting with the 2024 production year due to budget constraints. This decision raised significant concerns within the cotton industry, as these reports are crucial for accurate and reliable production estimates. The NCC is actively engaging with NASS to understand the rationale and communicate the industry's concerns. Representatives Tracey Mann (R-KS) and Jim Costa (D-CA), along with Senator Jerry Moran (R-KS), led a letter cosigned by 70 congressional colleagues opposing the discontinuation. The letter highlighted the potential negative impacts on forward contracting and the ability to account for damage from natural disasters. In the letter, NCC President and CEO Gary Adams emphasized the industry's reliance on these reports for predicting harvests, developing market forecasts, and estimating economic impacts of natural disasters.

The NCC also joined over 30 agricultural organizations in urging Senate leaders to pass the Tax Relief for American Families and Workers Act (H.R. 7024). This legislation, which includes business tax breaks and an expansion of the child tax credit, passed the House with bipartisan support but has stalled in the Senate. The letter highlighted the critical role of American food and agriculture in supporting 24 million jobs and contributing \$9.6 trillion to the economy, while noting that low commodity prices are causing financial strain for many producers. Senate passage of H.R. 7024 would provide much-needed assistance to the agricultural sector.

In May, after the House Agriculture Committee released a framework outlining their visions for a new farm bill, the NCC issued a statement applauding House Agriculture Committee Chairman Glenn “GT” Thompson for developing a draft legislation that addresses industry priorities and “urges this legislation to move forward in a bi-partisan manner with our industry committed to working with the leadership of the House and Senate to ensure final passage in 2024.” The legislation raises the seed cotton reference price to 42 cents per pound, increases premium support for the Supplemental Coverage Option to 80% with a top coverage level of 90%, and raises the upland cotton Marketing Assistance Loan rate to 55 cents per pound while implementing reforms to improve cotton flow. Additionally, it increases the Pima cotton loan rate to \$1.00 per pound and adds marketing loan repayment provisions, raises the Economic Adjustment Assistance for Textile Mills rate to five cents per pound, and doubles funding for USDA’s commodity trade promotion initiatives.

A few weeks later, Senate Agriculture, Nutrition, and Forestry Committee Ranking Member John Boozman (R-AR) released a framework for a new Farm Bill. This framework proposes increasing reference prices for commodities by an average of 15%, boosting premium subsidies for the Supplemental Coverage Option to 80%, raising the USDA marketing loan rate, reforming the marketing loan’s functioning, and doubling funding for Market Access Development/Foreign Market Development. Although no legislative text had been released, Boozman's framework aligns closely with the Farm Bill version sponsored by House Agriculture Committee Chairman GT Thompson (R-PA), which passed the committee with bipartisan support. Senate Agriculture, Nutrition, and Forestry Chairwoman Debbie Stabenow (D-MI) also released her own Farm Bill framework. The NCC released a statement commending Boozman and urged all parties to collaborate to ensure the final Farm Bill was enacted in the coming months.

Mid-year, the NCC, along with five organizations, supported Marcus Graham's nomination to the Farm Credit Administration’s Board of Directors in a letter to the Senate Agriculture, Nutrition, and Forestry Committee. Graham, with over twenty years of experience at the USDA, is currently the Farm Service Agency’s Deputy Administrator for Field Operations. The letter highlighted his financial expertise and leadership abilities, urging the Committee to expedite his confirmation.



American Cotton Producers Chairman David Dunlow testified before a House Agriculture Committee hearing exploring the financial challenges faced by American farmers.

In July, American Cotton Producers Chairman David Dunlow testified before the House Agriculture Committee, emphasizing the urgent need for economic relief for American farmers. Dunlow, who farms in

North Carolina, warned that without a new farm bill or comparable relief by the end of the year, he might have to stop farming. He argued that simply extending the current farm bill would be insufficient due to rising production costs and an outdated seed cotton reference price, which have eroded his equity and hindered his ability to secure loans. Dunlow was joined by other agricultural leaders, including Dana Allen-Tully, President of the Minnesota Corn Growers, and Tony Hotchkiss, Chairman of the Agriculture and Rural Bankers Committee of the American Bankers Association. They collectively highlighted the financial challenges facing farmers. Committee Chairman GT Thompson stressed the urgency of passing a new farm bill, noting that the committee had a unique opportunity to proactively support the future of the farm economy. This hearing underscored the critical need for legislative action to address the economic pressures on farmers and ensure the sustainability of American agriculture.

During the Mid-Year Board Meeting, the Council formed a Strategic Planning Task Force with eighteen industry members from various segments and regions. The Task Force's goal was to evaluate the global economic environment and competitive challenges facing the U.S. cotton industry, and to propose strategies to enhance its competitiveness. Key issues identified included the widening gap between rising production costs and falling market prices, and increased competition from Brazilian and Australian cotton, as well as Chinese polyester. The Task Force presented an action plan to the Board of Directors, which was approved. The plan includes several recommendations aimed at boosting the competitiveness and demand for U.S. cotton. Council staff worked through the appropriate committees to implement these recommendations.

The NCC addressed inquiries about the USDA-Risk Management Agency's (RMA) cotton monitoring program, which was reimplemented for the 2024 crop to oversee early season crop loss adjustments. The initial review phase closed, but policies with reappraisals remained open as RMA awaited final policy files and claim documents. RMA conducted a more targeted review, notifying Approved Insurance Providers (AIPs) of policies requiring pre-harvest inspections and claim reviews based on data analysis and fieldwork. Throughout the 2024

production season, RMA continued the cotton monitoring program in West Texas to ensure accurate crop adjustments and maintain program integrity. This was the third consecutive year of severe droughts in the Southwest, significantly impacting cotton production. Federal crop insurance had helped mitigate financial losses for growers, but downstream businesses suffered due to lower volumes, leading to closures and consolidations. The NCC supports the cotton monitoring program and continues to work with RMA to ensure its effectiveness in future years. The NCC also explored crop insurance options to offset the drought's impact on downstream segments.

The Environmental Protection Agency (EPA) launched new online resources to help growers navigate rules and regulations regarding endangered species. The new website, Pesticides and Endangered Species Educational Resources Toolbox, offers information, tutorials, and guides. Additionally, the EPA has updated its mitigation menu website to include measures for reducing pesticide runoff, which will be required in future pesticide labels. The NCC monitors these developments and continues to engage with the EPA on future regulatory strategies.

In September, the NCC spearheaded a letter to House and Senate leaders calling for a new farm bill with enhanced safety net provisions for producers. The letter, which was signed by over 300 organizations representing commodities, lenders, and other rural interests, pointed out that the current Title I safety net has not kept pace with inflation. It also noted many other challenges in farm country, including USDA statistics forecasting a \$42.5 billion trade deficit this year and agriculture sector debt of \$540.8 billion, the highest inflation-adjusted level since at least 1970. The letter urges Congress to “act before year’s end to strengthen farm policy for America’s farmers.” A lack of meaningful enhancements to the safety net and crop insurance, the letter concluded, “would leave thousands of family farms with no options to continue producing for this nation in 2025 and beyond.”

The NCC organized multiple commodity groups and lenders in visits to nearly 100 House and Senate offices, including key Congressional Leadership offices in both Chambers.

In conjunction with the letter, the NCC organized multiple commodity groups and lenders in visits to nearly 100 House and Senate offices, including key Congressional Leadership offices in both Chambers. The



groups included American Soybean Association, USA Rice Federation, National Corn Growers Association, U.S. Peanut Federation, National Sorghum Producers, National Association of Wheat Growers, American Bankers Association, and the Farm Credit Council. Many

participants noted that this was the first multi-commodity advocacy campaign in memory and gave momentum to the process. In addition to these visits, several state and regional cotton groups also made separate visits on Capitol Hill seeing over sixty offices. All groups expressed the need for Congress to act and gave an opportunity for lawmakers to hear directly from farmers about the challenges they are facing and the likely consequences of inaction.

In October, the NCC and other organizations sent a letter to the House Ways and Means Committee, highlighting key tax reform priorities for the agriculture sector. The letter called for eliminating the estate tax or maintaining the current exemption threshold, continuing stepped-up basis for inherited property, restoring 100% bonus depreciation, maintaining the 20% capital gains rate, 1031 like-kind exchanges, and Section 179 expensing, and making current individual tax rates and the 199A qualified business income deduction permanent. These measures are deemed crucial for the survival and growth of agricultural businesses and the stability of the food supply chain and rural economies.

In November, the NCC joined several organizations on a letter urging the DOL to delay full implementation of its recently finalized overtime pay rule. The DOL overtime rule aims to eventually cover any employee earning less than \$58,656 per year. The first phased increase in the eligibility ceiling, which went into effect on July 1, raised the overtime annual salary threshold from \$35,568 to \$43,888. On January 1, 2025, this salary threshold is currently scheduled to rise once again, to the final \$58,656 cap. Citing ongoing legal challenges to the overtime rule, the letter asked for a delay in the final implementation until at least May 1, 2025. Later in the month, a federal court in Texas invalidated the DOL's overtime rule nationwide. Judge Sean Jordan stated that the rule lacked clear standards for classifying exemptions and violated Administrative Procedure Act requirements with its automatic updates. The rule was intended to cover employees earning less than \$58,656 per year, with a phased increase starting July 1 that raised the threshold from \$35,568 to \$43,888. However, after the ruling, the threshold returned to \$35,568.

The NCC was pleased to know that Stephen Logan, a long-time member of the NCC and current chairman of the NCC Environmental Task Force, has been appointed to the EPA's Farm, Ranch, and Rural Communities Advisory Committee (FRRCC). The FRRCC provides policy advice on environmental issues affecting agriculture and rural communities.



NCC Chairman Joe Nicosia, met with numerous Congressional offices to update them on the challenging economic conditions facing the U.S. cotton industry.

Late in the year, NCC Chairman Joe Nicosia, met with numerous Congressional offices to update them on the challenging economic conditions facing the U.S. cotton industry. He emphasized the urgent need for

Congress to address economic losses and natural disasters from the 2024 crop, and to improve the safety net for the 2025 crop and beyond. Nicosia highlighted the changing competitive landscape in global fiber markets, with increased cotton production in Brazil and Australia, and expanding polyester production in China. In addition to meeting with members of the Agriculture and Appropriations Committees, Chairman Nicosia met with Speaker Mike Johnson (R-LA) to stress the critical situation producers will face in securing production financing for the 2025 crop if Congress does not act during the lame duck session.

The NCC joined more than 220 organizations on a letter sent to Howard Lutnick and Linda McMahon, Co-Chairs of the President-elect Trump Transition Team. Signed by representatives of the food and agriculture value chain, the letter expressed enthusiasm for working with the new administration to maintain America's reputation for safe and affordable food, feed, and fiber supplies. The signatories support science- and risk-based decision making to ensure consumer health and safety, and advocate for food and nutrition policies based on robust scientific evidence. The coalition is ready to support the administration's efforts and thanked the transition team for considering their views.

In December, the NCC urged all members to contact their Representatives and Senators to convey how vital it was that cotton producers receive emergency economic assistance to help cope with 2024 financial losses. Representative Trent Kelly's FARM Act is a model that Congress should follow to provide the level of assistance that's needed. In addition, the NCC asked members to please stress in their outreach that 1) this assistance was needed before the end of this calendar year, and 2) that if such assistance was not received, many producers would not be able to secure the financing they need to continue farming into the future.

The NCC joined 25 organizations in a letter to the incoming Trump administration advocating for USDA-administered commodity checkoff programs. The letter highlighted the vital role of checkoffs in educating consumers and developing new markets, noting that "for every dollar invested, producers see several more in return." It also emphasized USDA's stringent oversight, including multiple reviews and audits to ensure compliance. The letter concluded that weakening or ending research and promotion boards would set producers back decades.

Also in December, Representative Angie Craig (D-MN) was chosen as Ranking Member on the House Agriculture Committee when the 119th Congress convened in January. Senator Amy Klobuchar (D-MN) was selected for the same role on the Senate Agriculture, Nutrition, and Forestry Committee. Craig, who grew up in Northeast Arkansas and attended the University of Memphis, has represented a district extending from the Minneapolis suburbs into rural Minnesota since 2019. Klobuchar, who entered the Senate in 2007, was also appointed to chair the Senate Democratic Policy and Communications Committee, the number 3 minority party leadership position. The NCC praised both Craig and Klobuchar in statements.

Very late in the year, the Senate passed a continuing resolution (CR) by a vote of 85-11 to fund the federal government and provide relief to cotton and other commodity producers. The House of Representatives had earlier cleared the CR by a vote of 366-34. The legislation was then signed by President Biden. The CR maintains FY24 government spending levels through March 14, extends the 2018 farm bill for one year, and allocates \$10 billion for market-loss assistance to cotton and other row crops, along with nearly \$21 billion for natural disaster relief for 2023 and 2024. Cotton producers will receive an estimated \$85 per acre for 2024 planted acreage and 50% of prevent plant acres. In a press release, NCC Chairman Joe Nicosia praised Congress for the support and urged the next Congress to pass a new farm bill in early 2025.

Trade

Major activities carried out during 2024.



voluntary carbon credit derivative contracts.

The Food and Agriculture Climate Alliance (FACA), of which the NCC is a member, submitted comments to the Commodity Futures Trading Commission (CFTC) on proposed guidance for

Early in the year, the Food and Agriculture Climate Alliance (FACA), of which the NCC is a member, submitted comments to the Commodity Futures Trading Commission (CFTC) on proposed guidance for voluntary carbon credit derivative contracts. FACA acknowledged the potential of voluntary carbon markets to reduce greenhouse gas emissions but highlighted low producer participation due to high upfront costs, record-keeping burdens, and lack of awareness. To improve market effectiveness, FACA recommended greater transparency in contract terms, stricter accounting for credits, and ongoing engagement with rural stakeholders, USDA, and other government agencies.

In April, the NCC joined over 30 agriculture organizations on a letter urging the Biden administration to “recommit to an aggressive trade agenda to meaningfully expand export opportunities for U.S. food and agricultural products.” The letter also called on the United States Trade Representative (USTR) to “stringently and effectively enforce existing trade agreements” and “implement objective science and risk-based regulatory measures.” The letter was sent before USTR’s Katherine Tai’s appearance on Capitol Hill to provide updates on the U.S. trade agenda to both the House Ways and Means Committee and the Senate Finance Committee. Both hearings were wide-ranging, with agricultural trade being one of many topics addressed. In written testimony, Tai stated that through negotiations with the European Union, Japan, Mexico, India, and elsewhere, the Biden administration secured over \$21 billion in new market access for agricultural products.

The NCC joined dozens of agriculture organizations on a letter to President Biden supporting Carl Bentzel’s renomination to serve another term at the Federal Maritime Commission (FMC). The letter applauded Bentzel who has served as an FMC commissioner since 2019, for addressing supply chain challenges and bringing better data collection to the shipping industry. It also argued that the FMC would benefit from the consistency a new term for Bentzel could provide as the Commission works on implementing the Ocean Shipping Reform Act.

The NCC joined the American Cotton Shippers Association and numerous other agriculture organizations on a letter urging swift confirmation of Patrick Fuchs to serve another term on the Surface Transportation Board (STB), which primarily regulates freight rail. The letter, which was addressed to Senate Commerce, Science, and Transportation Committee Chair Maria Cantwell (D-WA) and Ranking Member Ted Cruz (R-TX), praised Fuchs for shaping “many rulemakings to help the rail industry better serve its customers and the American public.” Prior to serving on the STB, Fuchs was a staff member for the Commerce, Science, and Transportation Committee, in which role he drafted the STB Reauthorization Act, the Fixing America’s Surface Transportation Act, and the Positive Train Control Enforcement and Implementation Act.

In addition, the NCC joined the American Cotton Shippers Association and numerous other organizations on a letter commending the Digital Container Shipping Association (DCSA) for its efforts “to facilitate digital interconnectivity and seamless data communication that anyone who touches the industry can leverage.” The letter also welcomed the DCSA’s effort to draft a commercial schedules standard consistent with the Association’s engagement with the Federal Maritime Commission’s National Shipper Advisory Committee, which would improve data sharing and digital interconnectivity. It concluded with the hope that the commercial schedules standard would be finalized and implemented by the end of 2024.

The NCC joined dozens of agriculture organizations on a letter urging EPA Administrator Michael Regan to reject a request from the California Air Resources Board (CARB) to impose new regulations on rail carriers.



In April, the NCC joined dozens of agriculture organizations on a letter urging EPA Administrator Michael Regan to reject a request from the California Air Resources Board (CARB) to impose new regulations on rail carriers. Most significantly, the proposed CARB regulations would require the decommissioning of locomotives 23 years or older beginning in 2030, after which most new locomotives would be subject to zero-emission requirements. The proposed regulations would also require rail carriers to shut down while in transit under certain conditions to further limit emissions. The letter argued that zero-emission locomotives “are not yet commercially viable” and that the proposed CARB regulations would “pose a significant danger to U.S. agriculture and the broader U.S. supply chain.”

In May, the NCC and the American Cotton Shippers Association joined over 20 organizations in signing a letter of support for Robert Primus, who was appointed by President Biden to

serve as the next Chairman of the STB. The letter praised Primus, who has served on the STB since 2021, for his “push to improve rail service, create more rail-on-rail competition, and develop a more streamlined method for freight rail customers to challenge unreasonable rates.” It also points out that prior to serving on the STB, Primus had many years of experience working on freight and passenger rail policy on Capitol Hill. If confirmed by the Senate, Primus would replace Martin Oberman, who retired as STB Chairman last Friday after serving three years in the role.

The NCC joined more than 30 groups in endorsing the House Water Resources Development Act (WRDA) bill, which authorizes improvements to inland ports, dams, and canals throughout the country—including in Texas, Louisiana, and Arkansas—under the direction of the U.S. Corps of Engineers. A similar Senate WRDA bill was unanimously reported out of the Environment and Public Works Committee in May. In opening remarks, both Transportation and Infrastructure Committee Chairman Sam Graves (R-MO) and Ranking Member Rick Larsen (D-WA) praised the WRDA bill, with Graves emphasizing the “central role” that safe and reliable infrastructure plays in “keeping our economy and supply chain moving.”

On another transportation issue, the NCC joined over 20 organizations in a letter to STB Chairman Robert Primus, USDA Secretary Tom Vilsack, and USTR Katherine Tai expressing concerns about rail capacity constraints in Mexico. The letter pointed out that Ferromex, the main rail carrier in Mexico, had been hampered by “insufficient investment in rail infrastructure,” which had resulted in “embargoes, congestion, and slowed servicing of U.S. agricultural products.” Additionally, the letter stated that this situation had undercut the benefits of the United States-Mexico-Canada Agreement for the U.S., while granting other exporters like Brazil—which does not rely on Mexican rail—a competitive advantage. The letter concluded by urging Primus, Vilsack, and Tai to engage with their Mexican colleagues “to encourage increased investment in the country’s rail network and to ensure U.S. agricultural products do not disproportionately bear the burden of rail service constraints.”

In August, the NCC joined over 30 organizations on a letter to Canadian Prime Minister Justin Trudeau expressing serious concerns about the looming shutdown and urging intervention from his government. Labor negotiations broke down between the Teamsters and the country’s two largest carriers, Canadian National (CN) and Canadian Pacific Kansas City (CPKC). While CN and CPKC trains continued to operate within the United States, the ongoing shutdown prevented more than 2,500 rail cars carrying a wide range of goods—including fertilizer chemicals—from crossing the northern border. The ratings agency Moody’s had estimated that each day the shutdown continued would cost the economy approximately \$250 million. The NCC continued to closely monitor further developments.



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The NCC joined 177 organizations in a letter to President Biden, urging his administration to help resolve the labor dispute between the USMX and the ILA. The dispute affected 45,000 dockworkers at East and Gulf Coast ports, with potential strikes

or slowdowns if no agreement was reached by September 30. The letter emphasized the need for continuous negotiations to avoid economic disruptions and urged the administration to ensure the flow of goods. The ILA and the USMX have come to a tentative agreement on a new labor contract, ending labor strikes involving 40,000 dockworkers at East and Gulf Coast ports. The NCC continued to closely monitor further developments. NCC's Vice President, Robbie Minnich, also briefed the House Transportation and Infrastructure Committee on the issue. Additionally, NCC joined a letter to the mayors of Los Angeles and Long Beach, opposing proposed emissions regulations at West Coast ports, citing economic concerns.

The NCC joined more than 250 organizations on a letter to ILA President Harold Daggett and USMA CEO David Adam urging the ILA and USMA to negotiate a labor contract before January 15, when the current contract expires. The letter recognized that "significant issues remain between the parties," particularly on the issue of automation. However, it expressed the hope that a path forward can be found on this issue, arguing that modernization will be essential for the ports "to remain globally competitive and be able to handle the continuing rise of trade volumes."

In December, the NCC joined 52 organizations in letters urging President Biden and President-elect Trump to assist labor negotiations between the ILA and USMA. In October, many East and Gulf Coast ports shut down for three days due to a breakdown in negotiations. Similar strikes were possible if a new agreement was not reached by January 15. The letters highlighted that 40% of U.S. containerized agricultural exports move through these ports, with \$1.4 billion a week in ag trade at risk from any new strike or slowdown. The NCC endorsed the Water Resources Development Act (WRDA), which passed the House of Representatives by a vote of 399-18 and earlier passed the Senate. The bill was expected to be signed into law by President Joe Biden. WRDA authorized improvements to inland ports, dams, and canals nationwide, including in Texas, Louisiana, and Arkansas, under the direction of the U.S. Corps of Engineers.

Communications

Major activities carried out during 2024.

Public Attitudes

The NCC consistently communicated the industry's positions and concerns to Congressional Members and key government agency officials on critical legislative, trade, regulatory, and environmental issues.

For example, the NCC staff highlighted the urgent economic challenges facing cotton producers. A document detailing the need for federal assistance before the end of the year was shared via email and social media. Without enhanced support levels in the farm bill, many producers might struggle to secure operating loans for the 2025 growing season. Members were encouraged to share this information with their members of Congress and their staffs. It was also crucial to use social media to raise awareness about the need for producer support in 2024. The document included talking points and charts for use in social media messages.



The NCC continued to encourage member participation in the #cottonchallenge social media outreach campaign that aimed to convey the economic situation and concerns brought on by increased costs of production and low commodity prices resulting in the need for an updated farm bill.

The NCC continued to encourage member participation in the #cottonchallenge social media outreach campaign that aims to convey the economic situation and concerns brought on by increased costs of production and low commodity prices resulting in the need for an updated farm bill. Members told their stories and asked Congress to act in 2024 to support producers and local communities that depend on agriculture. For assistance participating members were asked to call their local NCC field representative or send an email to memberservice@cotton.org.

In addition, the NCC worked tirelessly to ensure the entire cotton industry's voice was heard in Washington, but the greatest power rested with the millions of Americans who cast their votes. A major federal election was held on Tuesday, November 5, to determine the next

Late in the year, the NCC announced that it would distribute its 2025 crop season planting intentions survey questionnaire to U.S. upland and extra-long staple cotton producers on January 3, 2025. Surveys will be distributed through a combination of regular mail and email. All survey participants, regardless of whether they received the survey via regular mail or email, were encouraged to respond electronically using the website link or QR code. Producers who completed the survey electronically by January 31, 2025, were eligible for a drawing of one of five \$100 Amazon gift cards. The annual survey, which aids with industry planning and policy deliberations, also provides the basis for the economic outlook presented to delegates during the NCC Annual Meeting in mid-February.

Information Services

The NCC continued to leverage essential communication channels, including its Cotton's Week newsletter, radio news lines, videos, and columns in various trade publications, to share crucial information with its members. This included updates on farm law implementation, regulatory proposals, USDA details and signup deadlines, as well as progress on the 2024 farm legislation as it was developed and considered by the House and Senate.

The NCC's website, 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, and Producer Information Exchange programs.

U.S. Cotton Trust Protocol



At the beginning of the year, U.S. cotton growers were encouraged to enroll in the U.S. Cotton Trust Protocol and apply for the U.S. Climate Smart Cotton Program, offering a range of benefits that go beyond sustainability.

At the beginning of the year, U.S. cotton growers were encouraged to enroll in the U.S. Cotton Trust Protocol and apply for the U.S. Climate Smart Cotton Program, offering a range of benefits that go beyond sustainability. This was the second year of the enrollment window allowing growers to begin the process prior to planting and better align with peak cotton marketing dates. Growers who completed their enrollment during either period in 2023 needed to re-enroll. Growers that were currently enrolled in Level 1 of the Climate Smart

Cotton Program had to finalize Fieldprint data entry and upload their 2023 bales by March 1 to receive payment. For the 2024 crop year, the deadline to enroll in the Trust Protocol and apply for the Climate Smart Cotton Program was April 30.

The U.S. Cotton Trust Protocol's 2023/24 Annual Report highlighted record grower participation and significant environmental achievements.

In February, U.S. Trust Protocol released its third annual report. This year's report documented the continuous improvements Protocol growers have contributed across the

initiative's measured sustainability metrics. The program saw a strong increase in membership with 2,000 mill and manufacturer members, and over 40 companies and their brands. Additionally, there were 1.7 million cotton acres enrolled in the program.



The Trust Protocol appointed a new board to enhance international stakeholder representation and supply chain coverage. The new members include Sam Whitaker from Whitaker Farms, Larry Black from Central Rolling Plains Gin, Krista Rickman from Cargill Cotton, Carlos Garcia from PCCA, Adolfo Kalach from Kaltex Group, Saima Chowdhury from Noi Solutions LLC, Tyson Raper from the University of Tennessee, Suzy Friedman from the World Wildlife Fund, Katie O'Hare from J. Crew Group, Agata Smeets from GAP Inc, and Virginie Cayzele from Kiabi. The new board aims to strengthen the supply chain from farm to end user, drive demand, improve impact, and increase grower enrollment.

In June, the Trust Protocol gave Level 1 growers the opportunity to receive additional financial support for implementing Climate Smart Practice Changes into their operations. Additional practice options were also added this year, increasing the number of growers eligible to participate. To qualify for Level 2, growers have to meet Level 1 requirements, adopt a new Climate Smart Agriculture practice, verify practice adoption, participate in soil health target setting, and quantify greenhouse gas emissions on all practice change acres.

Mid-year, the Trust Protocol announced the latest brand to join the sustainable cotton program. Carhartt, known for producing durable gear designed to serve and protect hardworking people for more than 135 years, chose to join the Trust Protocol as part of its strategy to source more responsibly grown cotton.

The U.S. Cotton Trust Protocol's 2023/24 Annual Report highlighted record grower participation and significant environmental achievements. Despite economic challenges, the program made strides in transparency and continuous improvement across the cotton supply chain. Key achievements included a 31% increase in enrolled acreage to 2.1 million acres, a

14% yield improvement, and reductions in water use (14%), energy use (27%), greenhouse gas emissions (21%), and soil loss (79%) compared to 2015. The Climate Smart Cotton program expanded to 1,427 farming entities, including 282 from underserved communities. Additionally, the Protocol Consumption Management Solution recorded 1,200 shipments of cotton fiber, equating to 3.4 million bales of U.S. Cotton and 636,000 bales of Protocol Cotton. The report also detailed efforts to enhance data collection, expand the Climate Smart Cotton Program, and strengthen the traceability platform to meet the needs of brands and retailers.

In other activity:



As the U.S. Cotton Trust Protocol grows, the global impact of the program continues to increase as cotton reaches consumers worldwide. The latest example of this is British multinational retailer Next including hangtags featuring the Trust Protocol on clothing sold in its U.K. stores.

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The Trust Protocol held its inaugural webinar in a new series titled “Harvesting Value: Trust Protocol Support for U.S. Cotton Growers and Gins.” The event highlighted the benefits the Trust Protocol offers to growers and gins. The speakers discussed the latest updates on the Level 2 Climate Smart Cotton Program, new acre enrollment procedures and the innovative ways growers can monetize carbon insets, offering practical advice and examples.

Technical

Major activities carried out during 2024.

Regulatory

Throughout the year, the NCC has submitted letters and comments on various regulatory issues vital to the U.S. cotton industry.

Early in the year, the PPC, of which the NCC is a member, filed comments to the EPA for the Draft 2026 National Pollutant Discharge Elimination System (NPDES): Pesticide General Permit (PGP) for Point Source Discharges from the Application of Pesticides (Draft 2026 PGP). The key points in the comments included arguments against additional endangered species consultation, additional recordkeeping above current requirements, and eliminating joint and several liability provisions from the permits. The NCC continued to follow the permitting process as the agency attempted to institute more requirements each time the PGP was renewed.



The NCC submitted comments to the EPA regarding an activist petition for stricter regulations on treated seeds.

The NCC submitted comments to the EPA regarding an activist petition for stricter regulations on treated seeds. Historically, treated seeds were not reviewed as pesticides, but the EPA opened a public comment period. NCC supported the current system and provided specific

comments on treated seed labeling. NCC continued to monitor this issue.

In late February, the NCC submitted comments on the notice of EPA's Scientific Integrity policy document. The comments concentrated on issues such as a lack of transparency on guidance documents while regulating guidance as if they were regulations. Another issue concerned EPA's method of using peer review panels consisting of scientists who submitted studies to EPA in support of the agency's positions.

The NCC, the National Cotton Ginners' Association and the Texas Cotton Ginners' Association added their support to comments from the NAAQS Regulatory Review & Rulemaking Coalition (NR3) to the EPA. The highly technical comments supported a proposal to update and retroactively calibrate air monitors and their data which have been shown to be

consistently off by 20% in their measurements of fine particulate matter (aka PM2.5). The change would be a first step in providing businesses such as cotton gins some headroom to grow their operations under the new, more restrictive, PM2.5 National Ambient Air Quality Standards (NAAQS).

The NCC continued to follow the regulations issued by the Biden Administration, which included three new rules that reversed previous endangered species rules. These changes made it more challenging for stakeholders, including farmers, to comply with the Endangered Species Act (ESA). One of the new rules applies the same protection for endangered species to threatened species. Regarding changes to "Critical Habitat," the government may now list any area as critical habitat for a species, even if that habitat can't sustain the species. This rule, coupled with an earlier Biden rule allowing the government to move species anywhere to protect them from climate change, gives the agencies almost unchecked power in designating land as off limits. The third rule addresses interagency actions on endangered species and was finalized as proposed without any of the clarification changes submitted by the public.

Mid-year, the NCC joined dozens of organizations in a letter expressing support for bipartisan legislation to improve the federal regulatory process. The Regulatory Early Notice and Engagement Act (H.R. 8204) would require federal agencies to publicly indicate the problem a new regulation addresses and explore alternatives within one week of initiating rulemaking. This bill was awaiting action in the House Judiciary and Small Business Committees. The letter highlighted that current practices leave the industry navigating regulatory uncertainty, hindering long-term investments. H.R. 8204, it concluded, could restore order through stronger congressional oversight of federal agencies.

The NCC urged the EPA to combine its new EPA Mitigation Menu website with the Bulletins Live! Two website to save time and effort for growers and requested step-by-step instructions for using the website.

The NCC filed comments on the new EPA Mitigation Menu Website for non-ESA mitigations required for new pesticide registrations. The NCC urged the agency to combine this website with the Bulletins Live! Two website to save time and effort for growers and requested step-by-step instructions for using the website. The NCC continued to monitor this new process. Later in the year, the EPA released online resources to aid growers with new rules and regulations regarding endangered species. The Pesticides and Endangered Species

United States Environmental Protection Agency

Environmental Topics ▾ Laws & Regulations ▾ Report a Violation ▾ About EPA ▾

Home / Endangered Species

Bulletins Live! Two -- View the Bulletins

For assistance in using Bulletins Live! Two, [view the tutorial](#). Also see [background notes](#) and a [quick start guide for BLT](#).

Directions

This tool displays Pesticide Use Limitation Areas (PULAs) for products with active Endangered Species Protection Bulletins. To generate a printable bulletin, please follow these steps:

1. Navigate to your intended pesticide application area by using the "Location Search" tool or panning and zooming on

Educational Resources Toolbox provided information, tutorials, and quick start guides. The EPA also updated its mitigation menu website to include measures to reduce species exposure from pesticide runoff, which will be required in future pesticide labels as part of the Final Herbicide Strategy. The NCC followed these developments and continued to work on future strategies in the EPA's regulatory pipeline.

Late in the year, the NCC continued to monitor the EPA's new framework for expanding federal collaboration on reviewing antibacterial and antifungal pesticides. The EPA coordinated with the U.S. Department of Health and Human Services (HHS) and the USDA, under the oversight of the White House Office of Science and Technology Policy. The framework established a process for the EPA to consider input from other federal agencies when evaluating these pesticides. The primary focus was on preventing resistance to pesticides and drugs in humans and animals. Although the process's specifics were unclear, the EPA stated it would involve pesticides used on crops and their potential negative impacts on pesticides and medicines used in human and animal health.

Crop Protection Product Support

Throughout 2024, the NCC collaborated with the agricultural community to ensure the EPA evaluated crop protection products based on scientific data. This effort aimed to provide producers with the tools and technology necessary to efficiently produce high-quality crops.

Early in 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. NCC continued to follow the issue.



The NCC sent a letter to EPA Administrator Michael Regan, explaining the dire cropping and economic consequences of vacating the label for dicamba products and requesting an existing stocks order to mitigate the impact.

In February, an Arizona Court ruled against the EPA and soybean and cotton growers by vacating the label for dicamba products in the case of Center for Biological Diversity, et al. v. United States Environmental Protection Agency. The ruling ordered the 2020 registrations for XtendiMax, Enginia, and Tavium to be

vacated for the 2024 growing season. The NCC immediately reviewed the ruling, collected supply chain data, alerted members, and met with affected stakeholders. The NCC sent a letter to EPA Administrator Michael Regan, explaining the dire cropping and economic consequences of this decision and requesting an existing stocks order to mitigate the impact. Numerous cotton interest organizations also expressed their concerns to the EPA. The NCC continued to work with stakeholders and the Federal government to acquire an existing stocks order or a plan to alleviate the problems caused by this court decision.

In April, the EPA announced changes to its Herbicide Strategy to protect endangered and threatened species, responding to overwhelming comments on the document's complexity and stakeholder confusion. The NCC reviewed the changes and sought further modifications. The EPA also planned a workshop/briefing later in the year. In May, the NCC joined 31 agricultural groups in a letter requesting that the EPA list drift reduction adjuvants (DRAs) as a mitigation tool in the Draft Herbicide Strategy. DRAs are an effective, low-cost option to reduce drift and protect vulnerable and endangered species. Under the Herbicide Strategy and future strategies, mitigation tools will be used in a point system allowing for the use of certain pesticides in specific areas. In August, the final Herbicide Strategy, designed to protect over 900 threatened or endangered species, included more options for growers and aimed to reduce the burden on applicators. The EPA intended to use the strategy to determine necessary mitigations for individual pesticides and incorporate those requirements into their labels. Additionally, the draft Insecticide Strategy was released for public comment, and the NCC reviewed the herbicide document while planning comments for the Insecticide Strategy. In June, the NCC filed comments to the EPA on Bayer's draft label for XtendiMax dicamba and the proposed registration of glufosinate-p-ammonium in Liberty® ULTRA herbicide from BASF. Regarding dicamba, the NCC expressed extreme concern over the potential loss of the product, supported the draft label, and urged the EPA to finalize it quickly. For Liberty ULTRA, the NCC supported its registration as an advancement in herbicide technology, providing broad-spectrum weed control and an additional in-season postemergence option for cotton. Additionally, the EPA released the proposed Engenia dicamba label from BASF for public comment, with comments due by July 5th. The NCC planned to review and comment on this label.

Additionally, in September, the NCC hosted a virtual meeting of its producer-led Environmental Taskforce with Edward Messina, Director of the EPA's Office of Pesticide Programs (EPA-OPP), to discuss the future registration of over-the-top (OTT) dicamba herbicides for the 2025 growing season. The Taskforce emphasized the importance of OTT dicamba for effective weed management in the Cotton Belt, particularly for resistant species like Palmer amaranth. However, the EPA-OPP indicated that the likelihood of registering OTT dicamba herbicides in time for the 2025 season was very low. The EPA clarified confusion about the order issued on February 14, 2024, allowing persons holding existing stocks, other than the registrant, to return them to the registrant or dispose of them according to federal,

state, and local waste disposal requirements. Producers with OTT dicamba stocks could transport the product for return to the registrant. This meeting was part of NCC's broader efforts to advocate for regulatory approval of OTT dicamba for upcoming growing seasons.

The NCC joined comments submitted by the PPC on EPA's Endocrine Disruptor Screening Program (EDSP). The comments expressed concerns about lack of clarity in terms and the data packages that are currently submitted for pesticide registrations.

The NCC reviewed a significant Life Cycle Assessment (LCA) conducted by the University of Arkansas, commissioned by CropLife America (CLA). This three-year study evaluated the environmental impact of crop protection products on cotton, corn, and soybean cultivation in the U.S. The study found that without crop protection products, yields of the three crops declined by up to 70%. Cultivating without these products required up to three times more land, water, energy, and resulted in higher greenhouse gas emissions. Crop protection products significantly enhance productivity and reduce resource pressure per pound of cotton produced. The NCC reviewed this data for future scientific endeavors.

The NCC joined in two stakeholder comments to the U.S. Fish & Wildlife Service (FWS). Both comments, from coalitions both of which the NCC is a member, sought to prevent a rule that would likely prohibit farming from taking place on wildlife refuges. The proposed rule would prevent agricultural practices, such as using pesticides and biotechnology, on refuge properties and would likely ban some farming and invasive species control projects. The comments were submitted by the Ag Biotech Alliance and the PPC.

The NCC requested an extension from the EPA for the public comment period on Acephate, initially set to end on July 1. The NCC sought an additional 60 days to gather more data with registrants, as the EPA proposed banning Acephate due to insufficient data on its safety. In response, the EPA extended the comment period by 30 days to July 31. The NCC continued to work on comments and data to support the continued use of Acephate, urging growers to participate. By August, the NCC submitted detailed comments on the EPA's Preliminary Interim Decision (PID) for Acephate, highlighting its importance in integrated pest management (IPM) for cotton. They collaborated with crop consultants, university extension personnel, and other commodity groups to provide updated information and advocate for a refined risk analysis. The PID was not the final decision, allowing for further industry input.

In July, the EPA released the Draft Insecticide Strategy to reduce exposure of endangered species and critical habitats to conventional agricultural insecticides. This strategy followed similar programs for herbicides and rodenticides. The EPA announced a 60-day comment period but stated there would be no extensions to meet court obligations. The NCC requested an extension due to the overwhelming number of concurrent comment periods. They joined 239 organizations and the PPC in filing extension requests, but the EPA declined,

citing the need to focus on other ESA initiatives. Despite this, the NCC continued to work on meeting the multiple deadlines.

Mid-year, the NCC reviewed and submitted comments on the EPA's draft risk assessments for neonicotinoids, including clothianidin, imidacloprid, saflufenacil, and thiamethoxam.

The NCC and 317 other stakeholders requested a dialogue with the EPA's Office of Chemical Safety and Pollution Prevention to improve the assessment of pesticide risks to endangered species and their habitats.



The NCC joined 317 other stakeholders on a letter to the Deputy Assistant Administrator of the Office of Chemical Safety and Pollution Prevention at the EPA.

The letter asked for a dialogue with EPA on ways to improve its process for assessing potential risks that pesticides may pose to endangered species and their critical habitats. The letter went on to state the concern that EPA used improper models and overly conservative assumptions in place of available scientific and commercial data. The letter also stated that EPA was committed to possibly unrealistic deadlines by the courts, which only exacerbates the problems with assessing risk to species.

The PPC, of which the NCC is a member, filed comments to the EPA on their White Paper: Framework for Interagency Collaboration to Review Potential Antibacterial and Antifungal Resistance Risks Associated with Pesticide Use. Major points included the concern that adding this framework along with its proposed interagency committee would create delays in pesticide registrations, which are already seeing increasing delays. There is also uncertainty regarding the scope of the framework, specifically about the number and types of agency pesticide decisions that would be encompassed within this new framework.

In August, the NCC submitted comments on the EPA's Preliminary Interim Decision (PID) for the dicotophos insecticide. NCC reminded EPA that dicotophos is a critical component of IPM strategies for insect control across the Cotton Belt. NCC highlighted the necessity for multiple insect control options for our growers and expressed concern that recent EPA actions have threatened the availability of key insecticides. The PID from EPA is not the final decision and there would be at least one more opportunity for the cotton industry to comment.

The NCC joined over 50 stakeholders on a letter thanking Senator John Kennedy and Congressman Glenn Grothman for introducing the "No Industrial Restrictions In Secret (NO

IRIS) Act of 2024" (S. 3724/H.R. 7284). The purpose of the act is to stop the EPA's Integrated Risk Information System program's (IRIS) non-transparent work from being used to justify overly burdensome regulations on critical chemistries essential for products we use every day. The IRIS program doesn't use the same 'weight of evidence' approach to science used in the rest of the EPA and often fails to review the latest scientific papers. Their work has been used to justify bans of several prominent chemicals using lower-than-naturally-occurring levels as well as being used to shutter facilities.

In September, the NCC, regional cotton producer organizations, and boll weevil eradication programs from across the Cotton Belt submitted comments on the EPA Proposed Interim Registration Review Decision for malathion. Comments from the organizations can be found using the following links: [NCC](#); [Boll Weevil Eradication Programs](#); [Texas Boll Weevil Eradication Foundation](#); [Regional Cotton Producer Organizations](#).

Late in the year, the NCC joined 266 other stakeholders on a letter to the House and Senate Agriculture Committees regarding the need for continued, safe use of pesticides. The letter was sent in response to a recent flurry of roundtables, litigation and legislation all of which presented pesticides in a negative light without any understanding of the benefits to agriculture and control of disease-carrying insects.

Biotechnology

Throughout the year, the NCC collaborated with Congress and the Administration to expedite the approval of innovative biotechnology products, ensuring they are accessible to producers.

The NCC joined 59 other organizations in comments to the USDA on proposed exemptions for genetic modifications, including gene editing. The comments supported five proposed exemptions, stating that they were scientifically justifiable because new plant varieties resulting from the proposed exempted edits could have resulted from conventional breeding techniques and therefore would not have posed a plant pest risk. Cotton was one of the crops that would have been directly affected by this proposal. The NCC continued to follow this issue.

Later in the year, in response to President Biden's Executive Order 14081, the EPA, FDA and USDA announced an update to the Joint Regulatory Plan for Biotechnology. The new plan would focus on modified plants, animals and microorganisms as well as human drugs and medical devices, and would attempt to streamline the regulatory process. The NCC reviewed the updates and continued to monitor the plan.

Cotton Flow and Packaging

Throughout the year, the NCC engaged in various efforts to address issues impacting the prompt delivery of baled cotton fiber to both domestic and international customers. The NCC also worked on the approval of materials used for packaging U.S. cotton fiber and the creation of new, innovative packaging materials and techniques.



The Joint Cotton Industry Bale Packaging Committee (JCIBPC), chaired by Chris Berry, had its 2024 Annual Meeting in Memphis last month, where the committee approved the updated 2024 Bale Packaging Specifications and set a phase-out date for paper PBI hang tags.

In February, at its annual meeting in Memphis, the Joint Cotton Industry Bale Packaging Committee (JCIBPC), chaired by

Chris Berry, a Wellman, TX, ginner, approved the updated 2024 Bale Packaging Specifications and set a sunset date for paper PBI hang tags. No test programs were requested for 2024 season. The committee determined hanging PBI bale tags that use small gauge wire or zip ties are to be removed as an approved product from the specifications after the 2024 crop year. The Council sent notices of this phase out to all U.S. gins and tagging manufacturer companies. During the last three years, staff has been directed to work with the industry's tagging suppliers to determine the usage of hanging PBI tags. During this period, usage of paper tags has declined from nearly 900,000 tags to 215,000 in 2023. These tags, which are held on the bale with small gauge wire or zip ties, can cause damage to mill machinery and pose potential fire risk if accidentally left in a bale. Due to these issues, in 2023 the Specifications for Bale Packaging Materials were amended to say, "Small gauge wires on bale tags are not recommended." Following the 2024 crop year, only adhesive type PBI tagging will be approved for use per the Bale Packaging Specifications and the PBI Tag Specifications.

In June, Acting Deputy Administrator for Farm Programs, USDA-FSA, John Berge, notified the NCC that the JCIBPC 2024 Specification recommendations for Cotton Bale Packaging Materials were approved for Commodity Credit Corporation (CCC) loan program purposes. The 2024 Specifications are identical to the specifications for the previous year's crop except for the added section 2.1.4. Markings which outlines approved markings on bales.

The NCC and the USDA jointly announced the launch of the 4-Bale Module Averaging Pilot Program.

The NCC and the USDA jointly announced the launch of the 4-Bale Module Averaging Pilot Program. This voluntary program, part of the USDA's Cotton and Tobacco Program, aims to enhance cotton bale fungibility through modern techniques, increasing efficiencies in



warehouse bale selection and improving overall quality. The initiative stems from the collaborative efforts of the NCC's Cotton Flow Committee and the Quality Task Force, which identified cotton bale fungibility as a key area of mutual interest. The pilot program includes specific criteria for averaging bales and reporting data back to customers. Participation is flexible, allowing customers to submit modules in multiples of four up to a total of 48 bales.

Research and Education



At the 2024 Beltwide Cotton Conferences (BWCC) in Fort Worth, Texas, attendees were presented with a variety of sessions addressing critical issues and the latest advancements in research and technology affecting the U.S. cotton industry.

At the 2024 Beltwide Cotton Conferences (BWCC) in Fort Worth, Texas, attendees were presented with a variety of sessions

addressing critical issues and the latest advancements in research and technology affecting the U.S. cotton industry. The forum offered valuable insights into topics such as herbicide resistance, the U.S. Trust Protocol®, climate change and its impact on crops, regulatory updates, pesticide use, new precision agriculture technologies, and the current status of retail inventory and supply chains for fertilizers and chemicals, including dicamba usage.

The 2024 Ginners Schools saw strong attendance. The 37th annual event, supported by the NCC and the National Cotton Ginners Association (NCGA), spanned three days. Topics included seed cotton drying/cleaning, the ginning process, and gin waste disposal methods. The primary focus was on enhancing ginning efficiency, producing high-quality fiber, and improving safety.

Later in the year, the 2025 Beltwide Cotton Conferences (BWCC) opened the call for papers. Interested participants needed to create an account and submit abstracts, including a working title, contact information, co-authors' details, and a brief description. The technical conferences included oral presentations and poster sessions, with updates on registration, hotel reservations, and other activities posted on the BWCC website. The conferences took place on January 15 and 16. The deadline for submissions was October 16, 2024, with notifications sent by November 6, 2024.

Throughout the year, the NCC encouraged cotton producers to carefully read pesticide labels and consult the EPA's Bulletins Live! Two website within six months before applying pesticides, even if they were not in a pesticide use limitation area. The NCC recommended that producers keep detailed pesticide application records, including a printed or digital copy of the bulletin, to prevent potential legal issues.

Cotton Council International

Major activities carried out during 2024.



With over 65 years of experience, CCI remains dedicated to making U.S. cotton the preferred fiber for mills, manufacturers, brands, retailers, and

consumers.

In 2024, Cotton Council International (CCI), the export promotion arm of the NCC, maintained its efforts to position U.S. cotton as “The Cotton the World Trusts” and worked to increase foreign demand for U.S. cotton fiber, yarn, and other cotton products.

With over 65 years of experience, CCI remains dedicated to making U.S. cotton the preferred fiber for mills, manufacturers, brands, retailers, and consumers. By promoting this premium product globally, CCI enhances profitability across the U.S. cotton industry and boosts exports of U.S. fiber, yarn, and other cotton products. CCI’s influence spans more than 50 countries through its 20 offices.

Early in the year, USDA announced that CCI received nearly \$14.8 million in Market Access Program (MAP) funding and \$3.9 million in Foreign Market Development Program (FMD) funding for FY24, a 4.8% increase over FY23. CCI remained a leading recipient of USDA trade promotion funding, ranking first in MAP and second in FMD among nearly 70 agriculture organizations.

In May, USDA announced that CCI would receive \$19 million in funding from the new Regional Agricultural Promotion Program (RAPP). RAPP is geared toward applicants seeking to open markets in Africa, Latin America, the Caribbean, and South and Southeast Asia. CCI has long been a leading recipient of USDA trade promotion funding and this award was the third largest among agricultural organizations.

Trade Missions

In November, some 371 global cotton industry business leaders gathered at the Omni La Costa Resort in Southern California where CCI-hosted its biennial Sourcing USA Summit, the event attracted 371 participants, with an impressive 94% expressing overall satisfaction and the same percentage likely to recommend future summits. Notably, 100% of attendees agreed that the summit provided new business opportunities, while 86% felt it offered valuable new information for their businesses.

Among the mill participants, 83% agreed that the summit educated them on the advantages of U.S. cotton, and 86% expect to purchase additional U.S. cotton as a result of attending. These future purchases are estimated at 1.49 million bales, valued at approximately \$469 million. The summit's success highlights its significant impact on the cotton industry and its stakeholders.

Education

Late in the year, CCI embarked on an innovative new initiative called CCITV. This platform is dedicated to highlighting people and events from around the world where CCI is actively promoting U.S. cotton. Through CCITV, viewers can gain insights into the global cotton industry and the various efforts being made to enhance its reach and impact. CCITV serves as a dynamic platform for sharing stories and developments from the U.S. cotton industry, offering a unique perspective on the global efforts to promote and support cotton. These updates will be regularly featured on NCC social media channels.

COTTON USA Mill Performance Index®

CCI launched CCITV, an innovative platform dedicated to showcasing global people and events where CCI promotes U.S. cotton.



In 2024, CCI continued to enhance the global textile industry's efficiency and productivity through the COTTON USA

Mill Performance Index® (MPI). This innovative benchmarking tool has proven instrumental in helping spinning mills optimize their operations by comparing their performance against industry standards. The MPI saw a significant increase in adoption, with over 100 mills and 145 units participating worldwide utilizing the tool to benchmark their performance. The MPI has tracked a total cotton consumption of 1,067,064 tons, equivalent to 4,721,522 bales of cotton. Within this total, U.S. cotton consumption specifically accounts for 152,130 tons, or 673,141 bales. On average, U.S. cotton consumption represents 59.5% of the total tracked consumption. This data highlights the significant role of U.S. cotton in the overall cotton market.

Cotton Days



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

In 2024, CCI successfully hosted six Cotton Days across Japan, Indonesia, Vietnam, China, Bangladesh, and India. These events attracted a total of 1,250 participants, with an impressive 97% expressing overall satisfaction. Additionally, 95% of attendees indicated they would recommend future

Cotton Days to their peers. The events proved to be highly informative, with 98% of participants acknowledging that they gained valuable new information beneficial to their businesses.

The impact of these Cotton Days is expected to be significant, with 78% of attendees planning to purchase additional U.S. cotton as a direct result of their participation. This translates to an estimated future purchase of 1.1 million bales of U.S. cotton, valued at approximately \$382 million. These figures underscore the importance and effectiveness of Cotton Days in promoting U.S. cotton and supporting the global cotton industry. Emphasizing teamwork, innovation, and adaptability, CCI will persist in its efforts across the global supply chain in 2025, aiming to maintain U.S. cotton as the top choice for textile manufacturers worldwide.

The Cotton Foundation

Major activities carried out during 2024.



The Cotton Foundation Board of Trustees approved funding for 17 general research projects totaling \$436,005 for 2024–2025.

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 17 general research projects totaling \$436,005 for 2024–2025. 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.



Emerging Leaders, sponsored by Bayer Crop Science, allowed participants to hone leadership skills and gain experience.

Emerging Leaders, sponsored by Bayer Crop Science, and the Multi Commodity Education Program, sponsored by John Deere, allowed participants to hone leadership skills and gain experience. The Educational Outreach tour continued this year as well, where federal regulators got a tour across the Mid-South, thanks to support from Bayer Crop Science.

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 2024–2025 fiscal year included producers: David Light, Rolla, KS; Todd Rovey, Buckeye, AZ; and Dean Calvani, Carlsbad, NM.

Allied industry trustees elected were Jennifer Crumpler, Bayer; Macie O'Shaughnessy, Syngenta; Travis Becton, John Deere; Andrew Conner, BASF; Eric Castner, FMC; Jeffrey Smith, Valent; and Ross Rutherford, Lummus. Independent Consultant Association trustees elected included Rogers Leonard, St. Joseph, LA; Hank Jones, Winnsboro, LA; and Jack Royal, Leary, GA.

Foundation 2024–2025 officers are: Sam Whitaker, chairman and Philip Edwards, III, president. Other elected officers were Gary Adams, executive vice president; Matthew Rekeweg, treasurer; and Drew Davis, assistant treasurer.