

Perdue, Cruz, Conaway Visit Texas High Plains

Saturday, Sept. 23, 2017 By Russel Skiles, Lamesa Press-Reporter

By the very devastation it brought to the Texas Gulf coast, Hurricane Harvey could play a role in bringing relief to financially-strapped cotton farmers in West Texas.

That was part of the message delivered by a trio of top officials in Washington, D.C., who made agriculture their focus during a visit to Dawson County on Friday (Sept. 22).

A crowd of several hundred people greeted U.S. Secretary of Agriculture Sonny Perdue, House Agriculture Committee Chairman Mike Conaway (R-Midland) and Senator Ted Cruz (R-Texas) for a luncheon at BE Implement in Lamesa.

Meeting with Lamesa Cotton Growers leaders at King Mesa Gin to start the day, Cruz joined Perdue and Conaway for a visit to Matt Farmer's farm and the Indian Canyon Ranch before the luncheon.

The luncheon was part of the Southwest Council of Agriculture's annual meeting, which was hastily moved from Lubbock to Lamesa this week to coincide with the agriculture leaders' visit.

Having toured the Gulf coast area on Thursday to get a first-hand look at the devastation caused by Hurricane Harvey, Perdue and Conaway were joined by Cruz in reporting there could be a "silver lining" for cotton farmers in that situation.

Images of the terrible losses suffered from that storm - including losses of cotton and cattle - could help clear the way for renewal of the Cotton Ginning Cost-Share Program.

That program last year provided \$300 million in cost-share assistance to cotton farmers across the country.

Perdue and Conaway both said they believe the images of cotton modules and fields destroyed by the hurricane will help convince others in Washington of the cotton industry's need for financial assistance.

But just who can eventually get that done was a matter of some finger-pointing.

While Cruz said Perdue could excite the crowd here on Friday by announcing approval of the cost-share program - and that cottonseed would be classified as an oilseed - Perdue said it is Congress that controls the purse strings to help make that happen.

Addressing a roomful of media representatives after the meeting, Conaway said Hurricane Harvey's devastation could help officials at the federal Office of Management and Budget see the need for such a program.

He said he hopes such approval will come before the end of the year.

Even more far-reaching, Conaway said, that same hurricane damage also could help get cotton back in the federal farm program as a covered commodity.

Speaking about seeing - and smelling - a module four miles from the Colorado River that had been moved by flooding from the river, Conaway said such damage will help him and others be able to explain why the 2018 Farm Bill needs to provide a strong safety net for agriculture.

"We've got a clear case to make," he said.

As the House leader most responsible for shaping that farm bill, Conaway said he fully expects to get cotton again included in the federal farm program after being left out of the current program.

"We've got to get cotton back under Title I - that is essential," he said.

Noting the House Agriculture Committee has heard from more than 300 agriculture producers during five "listening sessions" held across the nation, Conaway said the committee staff already is hard at work putting various ideas together.

He expects to be able to present a bill to the full House either late this year or early next year.

Noting that he expects the Senate to also move forward in a timely fashion, Conaway said he is committed to getting the bill approved next year.

Although explaining that the USDA serves as "consultants" to Congress in developing the Farm Bill, Perdue said he believes they can help persuade Congress that cotton lint and cotton seed are two different programs that need to be included in that bill.

In introducing Perdue at the luncheon, Conaway said Congress could not have a better partner in working to develop a new farm program.

"He's one of us," Conaway said. "He's just a good guy and he gets it."

Want the facts about the U.S. agriculture and farm policy?

<http://www.farmpolicyfacts.org>

New Study Exposes Heritage Foundation's Misleading Narrative About Farm Policy

Tuesday, September 26, 2017

From Farm Policy Facts

Farm policy has been around since the beginning of the country and for good reason argues Brandon Willis, the former administrator of the U.S. Department of Agriculture's (USDA) Risk Management Agency (RMA), in a new study that debunks the Heritage Foundation's misleading narrative that there is no place for farm policy in America.

Production agriculture contributes significantly to the nation's overall economic activity, representing nearly 6 percent of gross domestic product (GDP) and 21 million jobs. It's a jobs creator and a meaningful source of trade revenue. Further, a secure food and fiber supply is critical to national security. But, there are inherent risks to farming and ranching and for this reason a safety net is necessary, Willis explains.

The study titled, "How Heritage Foundation's U.S. Farm Policy Proposals Would Put America Last," is a balanced and thoughtful look at the impact of U.S. farm policy. In contrast to the Heritage report, which "selectively uses data" to draw flawed conclusions, Willis takes a comprehensive approach noting "relevant data should be presented in ways that inform the

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discussion . . . rather than in ways that distort information or confuse the debate."

One of the most striking aspects of the study is the deep analysis of farm income, production costs, and the ability of farmers to manage commodity price swings and extreme weather risks. While Heritage likes to paint the picture that farmers are doing well financially, in reality "costs for farmers often outpace returns and a majority of farmers today are in or near economic trouble."

Willis notes that Heritage cherry-picks the data and uses a flawed methodology to "exaggerate the financial condition of actual farmers and ranchers."

"By combining the income of those who do not farm — but who have higher levels of income than the average American — with the income from households that do produce agricultural products on their land, the Heritage Report misleads readers into believing that farm income is both more stable and higher than it actually is.... Since this approach does not accurately illustrate actual farm income, neither can it illustrate profitability, reliance upon farming for income, nor need of U.S. farm policy. After all, what other sector's financial health is determined based on a measurement under which 70 percent of income is derived from other sectors?"

To further illustrate this point, Willis examines the costs of production versus the value of production for the top four crops grown in the U.S. In the timeframe between 1997 and 2015, wheat, cotton, and corn producers covered their full cost of production for only two years, three years, and seven years, respectively. Moreover, "when all costs are taken into account, a farmer has a profit less than 30 percent of the time." He adds that, "A safety net is often what stands between continuing to farm and bankruptcy."

Having spent considerable time administering crop insurance, Willis was also quick to defend it against the constant attacks leveled by Heritage.

"The Heritage report alludes to crop insurance as a source for farmers to collect benefits despite just 19 percent of policies paying an indemnity in 2016. And, Heritage contends that crop insurance is too costly to taxpayers despite the latest CBO projections showing the crop insurance 10-year costs to be \$6.69 billion lower than anticipated, with crop insurance costs expected to approximate 2004 levels."

Taken together, Willis makes a compelling case for continuing farm policy noting its many successes:

"U.S. agricultural output has almost tripled since 1948, 21 million American jobs are owed to agriculture, agriculture constitutes 5.5 percent of U.S. GDP, U.S. consumers are paying lower grocery bills than anywhere else in the world, the United States runs a trade surplus in agriculture, soil erosion has been cut in half since 1985, U.S. farm policy adds up to about one quarter of one percent of the total federal budget."

As the farm bill reauthorization process heats up, this study should be required reading for all members of Congress who wish to intelligently weigh into the debate.

To read the full study, click here (<http://www.farmpolicyfacts.org/wp-content/uploads/2017/09/bwhs.pdf>). To read the seven key points

of the study, click here (<http://www.farmpolicyfacts.org/wp-content/uploads/2017/09/seven-points.pdf>).

The study was sponsored by the American Association of Crop Insurers, American Sugar Alliance, Crop Insurance Professionals Association, Minnesota Corn Growers Association, National Cotton Council, Panhandle Peanut Growers Association, South Carolina Peach Council, Southwest Council of Agribusiness, and Western Peanut Growers Association.

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Upcoming Area Field Days

October 3 – Swisher County Cotton Tour, 9 a.m., Kress. Questions: John Villalba, Swisher County CEA-Ag/NR, (806) 995-3721.

October 5 – Bailey County Cotton Field Day, 10 a.m., Chris Bass Farm near Muleshoe (1931 County Road 1008). Two CEUs offered. Questions: Curtis Preston, (806) 272-4583.

If you have a field day to add to this list, please email maryjane@plainscotton.org or call (806) 792-4904.

Kai Hughes Now Serving as Executive Director of International Cotton Advisory Committee

September 2017

From the ICAC

Mr. Kai Hughes is now serving as the Executive Director of the International Cotton Advisory Committee (ICAC). Mr. Hughes is the 7th Executive Director in the history of the Committee since its formation in 1939.

Mr. Hughes was recommended to the Standing Committee of ICAC by a Task Force composed of diplomats in Washington representing nine members of ICAC. ICAC does not hire based on geographic or national quotas; rather all members of the Secretariat are chosen individually based exclusively on merit.

Mr. Hughes has been the Managing Director/CEO of the International Cotton Association, headquartered in Liverpool, UK, for the last 9 years. He has over 20 years of senior management experience in challenging environments, ranging from the Ministry of Defence, higher education, and not-for-profit organisations. As Managing Director of the ICA, Mr. Hughes has been acting globally at diplomatic and ministerial levels to promote contract sanctity and to lobby governments on trade issues affecting cotton as well as liaising with cotton associations.

Mr. Hughes has an extensive knowledge of the world cotton industry and solid management experience. He has a Master's degree in Business Administration and is fully conversant with the governance and administrative requirements for the running of complex organisations.

Editor's Note:

"Cotton News", a weekly service of Plains Cotton Growers to the cotton industry and news media in the 41-county High Plains area, is mailed from Lubbock each Friday. Its contents are confined to news items and comments pertaining to the High Plains cotton industry which is so vital to U.S. all. Anyone interested in making comments about the contents of this column can call 806-792-4904 or Email PCG at: editor@plainscotton.org