

USDA Announces Trade Aid Package

Friday, May 24, 2019

By Mary Jane Buerkle

In what could be considered lightning speed for a government program to be created and rolled out, the USDA announced a \$16 billion trade aid package yesterday after President Trump indicated just weeks ago that he would find a way to provide some relief to U.S. farmers impacted by unfair retaliatory tariffs in the wake of the Administration's trade negotiations with China.

"China hasn't played by the rules for a long time and President Trump is standing up to them, sending the clear message that the United States will no longer tolerate their unfair trade practices, which include non-tariff trade barriers and the theft of intellectual property," USDA Secretary Sonny Perdue said in a news release. "The plan we are announcing today ensures farmers do not bear the brunt of unfair retaliatory tariffs imposed by China and other trading partners. Our team at USDA reflected on what worked well and gathered feedback on last year's program to make this one even stronger and more effective for farmers. Our farmers work hard, are the most productive in the world, and we aim to match their enthusiasm and patriotism as we support them."

A news release from the USDA details the programs to assist farmers as follows:

- Market Facilitation Program (MFP) for 2019, authorized under the Commodity Credit Corporation (CCC) Charter Act and administered by the Farm Service Agency (FSA), will provide \$14.5 billion in direct payments to producers.
 - Producers of alfalfa hay, barley, canola, corn, crambe, dry peas, extra-long staple cotton, flaxseed, lentils, long grain and medium grain rice, mustard seed, dried beans, oats, peanuts, rapeseed, safflower, sesame seed, small and large chickpeas, sorghum, soybeans, sunflower seed, temperate japonica rice, upland cotton, and wheat will receive a payment based on a single county rate multiplied by a farm's total plantings to those crops in aggregate in 2019. Those per acre payments are not dependent on which of those crops are planted in 2019, and therefore will not distort planting decisions. Moreover, total payment-eligible plantings cannot exceed total 2018 plantings.
 - Dairy producers will receive a per hundredweight payment on production history and hog producers will receive a payment based on hog and pig inventory for a later-specified time frame.
 - Tree nut producers, fresh sweet cherry producers, cranberry producers, and fresh grape producers will receive a payment based on 2019 acres of production.
 - These payments will help farmers to absorb some of the additional costs of managing disrupted markets,

to deal with surplus commodities, and to expand and develop new markets at home and abroad.

- Payments will be made in up to three tranches, with the second and third tranches evaluated as market conditions and trade opportunities dictate. The first tranche will begin in late July/early August as soon as practical after Farm Service Agency crop reporting is completed by July 15th. If conditions warrant, the second and third tranches will be made in November and early January.
- Additionally, CCC Charter Act authority will be used to implement a \$1.4 billion Food Purchase and Distribution Program (FPDP) through the Agricultural Marketing Service (AMS) to purchase surplus commodities affected by trade retaliation such as fruits, vegetables, some processed foods, beef, pork, lamb, poultry, and milk for distribution by the Food and Nutrition Service (FNS) to food banks, schools, and other outlets serving low-income individuals.
- Finally, the CCC will use its Charter Act authority for \$100 million to be issued through the Agricultural Trade Promotion Program (ATP) administered by the Foreign Agriculture Service (FAS) to assist in developing new export markets on behalf of producers.

Further details regarding eligibility and payment rates will be released at a later date. PCG staff will be monitoring progress and already have started a discussion with key leaders on how the program will be administered.

"We are grateful for the assistance and appreciate President Trump and the USDA for standing by farmers during these trade negotiations," PCG Executive Vice President Steve Verett said. "A lot of the calculations still have to be done, and we want to be sure that our members will have the opportunity to fully and fairly benefit from this program."

U.S. Rep. Mike Conaway, R-Midland and Ranking Member of the House Agriculture Committee, commended President Trump for the move in a news release.

"Today's announcement of \$16 billion will go a long way in helping farmers and ranchers survive another year of depressed prices caused in part by the predatory trade practices of China and others," Conaway said. "This timely aid will serve as a critical bridge to better times. I have confidence the president will successfully negotiate a fair deal for the United States."

National Cotton Council Chairman Mike Tate said in a news release from the NCC that while the industry is thankful for the assistance, they strongly encourage the Administration to engage in constructive dialogue with China to address unfair trade practices and barriers.

"China traditionally has been U.S. cotton's top export destination," Tate said. "Resolution of the current trade tensions remains our top priority."

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Rain Hinders Progress as First Final Planting Date Approaches

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By Mary Jane Buerkle

Growers across the Texas High Plains are keeping an eye on the calendar and also to the sky as final planting dates approach, and Mother Nature has been friendlier to some than to others.

Planting progress is mixed; some growers are having trouble because it's too wet, others have yet to see their planting rain, and some already have seen their crop come up only to get blown out by high winds earlier this week.

"Speaking generally, the Texas High Plains is in pretty good shape with regard to planting moisture, although there are a few isolated areas with some issues," PCG Executive Vice President Steve Verett said, noting that weather forecasts included rain chances over the next several days.

Final planting date for the northern and northwestern portion of the PCG service area is May 31; central portion, including Lubbock, is June 5; southern portion, including Lamesa, is June 10; and areas off the Caprock have until June 20 to plant.

Save The Date!

Celebrate Cotton

Saturday, September 7 • Texas Tech v. UTEP

Cotton Industry Seeks Volunteer Leaders

Friday, May 24, 2019

By Shawn Wade

The success of the High Plains cotton industry, like any group effort, is directly tied to the willingness of qualified individuals to volunteer to serve in various leadership positions. To identify these volunteers, the High Plains cotton industry caucuses each year with other cotton groups within Texas to identify producers interested in serving as a volunteer leader.

PCG encourages all qualified individuals interested in representing the High Plains as a representative to the Cotton Board, National Cotton Council, or Cotton Incorporated to contact PCG Executive Vice President Steve Verett for more information.

Each year, a variety of volunteer positions within the NCC and Cotton Incorporated are filled directly through the industry's caucus process. In addition to naming representatives to the NCC and Cotton Incorporated, PCG and the Texas cotton industry also work together to identify and nominate qualified individuals to the U.S. Secretary of Agriculture for possible appointment as a Member or Alternate on the Cotton Board.

Qualified individuals interested in serving on the Cotton Board, which oversees the highly successful U.S. Cotton Research & Promotion Program, also are encouraged to contact Verett at the PCG office in Lubbock to request additional information. PCG's telephone number is 806-792-4904.

To be a qualified producer nominee for the Cotton Board, an individual should be actively engaged in cotton production at the time of nomination, be committed to the mission of the Cotton Board and the Cotton Research and Promotion Program and have demonstrated leadership skills and experience.

"Whether it is a nomination to serve on the Cotton Board or appointment to a leadership position within the National Cotton Council or Cotton Incorporated, the membership of Plains Cotton Growers has proven to be fertile ground for leaders within our industry," Verett said. "Our industry owes much to the dedicated men and women who step forward to serve their fellow producers. We look forward to extending that tradition of leadership in the years ahead."

Editor's Note: The Cotton Board seeks to promote diversity and ensure equal opportunity and inclusion for all those who qualify for nomination and appointment to the Cotton Board regardless of race, ethnicity, sex, disability, socio-economic status, religion or sexual orientation.

Enrollment Open for Texas International Cotton School

Friday, May 24, 2019 From Texas International Cotton School

Registration remains open for the 39th session of the Texas International Cotton School, scheduled for August 5-15, 2019, in Lubbock.

The Texas International Cotton School is uniquely structured to provide an integrated understanding of the Texas cotton industry and how it interacts with the global cotton/textile complex. The intensive two-week program covers all aspects of cotton, from the field to the fabric. Since its inception, the school has been a collaboration between the Texas cotton merchants who make up the Lubbock Cotton Exchange and the faculty and staff of the Fiber and Biopolymer Research Institute of Texas Tech University.

"Our planning committee works diligently to ensure that our curriculum not only includes the fundamentals of the cotton industry, but also examines the latest issues and advancements," Lubbock Cotton Exchange President Beau Stephenson said.

During the two weeks of the school, more than 30 experts from across the United States teach the students, who learn about the cotton marketing chain – including seed breeding, farm production, harvesting, ginning, warehousing, merchandising, and textile manufacturing. All aspects of U.S. and global trade of cotton are covered, so the students obtain an understanding of what is required to successfully participate in the U.S. cotton market and to deliver the cottons needed in diverse export markets. They learn about the important quality attributes of cotton fibers and how these translate into processing efficiency and textile product quality. Throughout the program, students have repeated opportunities to interact with the cotton merchants of the Lubbock Cotton Exchange and the fiber and textile experts of Texas Tech University.

For more information, including tuition and curriculum, visit <http://www.texasintl cottonschool.com>.

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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@plainscottongrowers.com