

Congress of the United States
House of Representatives
Washington, DC 20515-4313

December 14, 2022

The Honorable Rosa DeLauro
Chairwoman
Committee on Appropriations
H-307 The Capitol
Washington, DC 20515

The Honorable Kay Granger
Ranking Member
Committee on Appropriations
1036 Longworth House Office Building
Washington, DC 20515

The Honorable Patrick Leahy
Chairman
Senate Committee on Appropriations
S-128 The Capitol
Washington, DC 20510

The Honorable Richard Shelby
Vice Chairman
Senate Committee on Appropriations
S-128 The Capitol
Washington, DC 20510

Dear Chairwoman DeLauro, Ranking Member Granger, Chairman Leahy, and Vice Chairman Shelby,

As Congress finalizes the Fiscal Year 2023 (FY23) appropriations bill, we respectfully write to urge the inclusion of Emergency Relief Program (ERP) funding for the 2022 crop year. As farmers and ranchers continue to suffer severe losses from extreme weather events, it is critical to provide adequate resources to keep them in operation. While many crops have been impacted in 2022, Texas cotton producers have been especially challenged and we request adequate assistance be allocated for cotton infrastructure. Specifically, cotton gins that need assistance to mitigate the impact of economic challenges and historic drought conditions that had a catastrophic impact on the cotton industry.

U.S. cotton producers provide nearly thirty-five percent of the global cotton exports—forty percent of which originates in the state of Texas, making cotton the state's largest agricultural export.¹ Over this past year, Texas producers have endured labor shortages, skyrocketing input costs, supply chain disruptions, barriers to global markets, and severe weather. In fact, widespread drought and excessive heat during the 2022 planting and growing season resulted in the abandonment of approximately seventy percent of cotton acres throughout the Texas High Plains region and over forty-seven percent statewide.² The Texas Tech University International Center for Agricultural Competitiveness found the economic impact of the 2022 drought on the Texas High Plains region could result in \$2.1 billion in total economic damage and a loss of 17,000 employees.³

Due to this devastating drought, the United States Department of Agriculture (USDA) forecasts 2022 U.S. cotton production at 13.8 million bales, which will be 3.7 million bales below the 2021 crop year.⁴ While the cotton supply has significantly decreased, futures prices are trading well below the cost of production. Almost three years after the start of the COVID-19 pandemic, China's authoritarian zero-Covid policy has significantly stifled the demand for U.S. cotton as Chinese textile mills remain inoperative. Low

¹ [Crop Profile for Cotton in Texas.doc \(agrilife.org\)](#)

² [Crop Acreage Data \(usda.gov\)](#)

³ [Econ Impact Drought 22 CottonIndustryTXHighPlains.pdf](#)


⁴ [Cotton and Wool Outlook: September 2022 \(usda.gov\)](#)

volumes and America's overdependence on the Chinese market have not only threatened growers' economic viability, but it has sent significant financial losses throughout the cotton supply chain.

For example, the industry's infrastructure is dependent on the volume of product grown in its region, and many counties throughout Texas are reporting zero harvestable acres of cotton. Gins in those areas still have substantial fixed costs—such as the costs of payroll, property taxes, administration, and routine maintenance on equipment and rolling stock. According to a report from D Williams and Co., gin operators would need between \$700,000 and \$1,000,000 per gin in Texas to help partially operable or inoperable gins cover fixed costs that will incur due to the loss of acres going into 2023.⁵ Unlike other commodity infrastructure, when ginning companies close their doors, they almost never return to the supply chain. When cotton production rebounds, it is critical this infrastructure exists to handle the increased acreage.

America's cotton producers supply the fiber needed to not only clothe the U.S., but the world. Without relief through an extension of the ERP for the 2022 crop year, this year's losses will have a devastating impact on every farmer, rancher, and rural community that depends on agriculture. Given the volatile nature of the agriculture industry, it is critical that we provide our producers access to the resources and assistance they need in the near term. We look forward to working with the Agriculture Committee to improve the farm safety net in the next farm bill to avoid the need for ad hoc assistance going forward. Until then, our cotton producers and the gins that support them cannot wait – relief is needed now. Thank you for your time and consideration of this important issue. We welcome the opportunity to discuss this further with you and your team.

Sincerely,



Ronny L. Jackson
Member of Congress



Jodey C. Arrington
Member of Congress



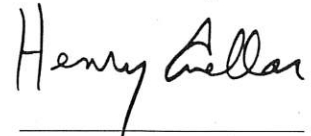
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Kevin Brady
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Pete Sessions
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Henry Cuellar
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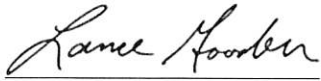


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⁵ [GinInfrastructureCostLetter_11-2-2022.pdf](#)



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