2022 ACP-Cotton Foundation

Summer Meeting

Minutes

Marriott Little Rock, AR

August 3-4, 2022

The 2022 Summer meeting of the ACP and Cotton Foundation was called to order by Chairman Nathan Reed at 1:30 pm. In addition to Mr. Reed the following were in attendance:

Daniel Baxley

Stuart Briggeman

Bryan Bone

Dean Calvani

Matt Coley

Jason Condrey

Matt Coley

Lee Cromley

David Dunlow

Richard Gaona

Adam Hatley

Matt Huie

Jason Luckey

James Johnson

Patrick Johnson

J.W. Jones

Nick Marshall

Gary Martin

Chad Mathis

Dan Metz

Brent Nelson

Mark Nichols

Russ Ratcliff for Heath Herring

Nathan Reed

Gerald Rovey

Doyle Schniers

Stacy Smith

Brad Warren

Jon Whatley

Sam Whittaker for Matt Hyneman

Phil Bohl, K.C. Gingg, Nick McMichen, Shep Morris, Kent Smith, and Rich Vinson were unable to attend.

In addition, approximately 100 Cotton Foundation members, advisors and guests were in attendance.

Chairman Reed introduced several special guests and called for self-introductions. He next called on ACP State Chairmen to provide crop updates for their respective states.

NCC Chairman Ted Schneider updated the ACP on NCC priority issues which outlined the numerous challenges related to drought and water availability, increasing costs of inputs, unprecedented supply chain and labor issues, as well as regulatory pressure on crop protection products and registrations. He also encouraged producer participation in the U.S. Cotton Trust Protocol to continue to improve cotton marketability as well as meeting the sustainability requirements of our customers.

RMA Deputy Administrator Richard Flournoy outlined the recent climate initiatives that have been rolled out by RMA and well as an update on the Emergency Relief Program (ERP). U.S. cotton producers have thus far received $645 million in assistance through Phase One of ERP with additional payments for 2021 STAX/SCO/ECO expected in late August of this year.

Senator John Boozman joined the ACP from his office in Washington, DC via webinar. Senator Boozman updated the ACP on the budget reconciliation package making its way through the Senate and its impact on Conservation, Energy, and Forestry Title funding for the 2023 Farm Bill. Boozman also provided an overview of the hearing process and timeline for consideration of the Farm Bill in 2023

Robbie Minnich, Senior Government Relations Manager, presented a detailed report on Washington activities. His report included a review of the Congressional agenda for the remainder of this year; an overview of the 2022 Mid-Term Elections; a breakdown of the conservation funding in the Inflation Reduction Act of 2022; logistical challenges in the cotton supply chain; trade issues particularly as it relates to China; a review of several cotton regulatory issues; an update on the appropriation status; and timeline for writing of the 2023 Farm Bill.

Dr. Gary Adams, NCC President and CEO, presented a detailed cotton economic report that included a summary of cotton supply and demand estimates.

Harrison Pittman, Center Director for the National Agriculture Law Center, apprised the ACP on the new EPA policy on Endangered Species Act (ESA) consultation with the stated goal to provide certainty to producers and the agricultural industry while avoiding costly litigation from activist environmental and food safety groups. Pittman also gave a summary on the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) preemption cases on state law failure to warn claims. Recent appellate decisions in the 9th Circuit (Hardeman v. Monsanto Co.) and the 11th Circuit ruled (Carson v. Monsanto) that FIFRA does not preempt the registrant from failing to warn about health risks despite EPA confirming the safety of the product.

Cotton Foundation Chairman Jon Whatley convened a short business session of the Foundation which included nominations and election of 2023 Trustees.

Following announcements, the meeting was adjourned for the day.

The meeting reconvened on August 4.

NCC VP of Producer Affairs Tas Smith provided an update on the May 2022 CBO Baseline for the Farm Bill. He gave an analysis on additional payments to producers and CBO costs for an increase in the Seed Cotton reference price. He also provided an overview of margin protection programs offer for dairy and RMA Margin Protection as well as a state-by-state review of seed cotton base vs. planted acres.

Dr. Greg Holt, with USDA-ARS, reviewed the 2021 classing calls by color while providing an overview of the new industry-driven module wrap performance standard. The objective of the new standard is to specify minimum material strength and performance levels for module wrap entering the market.

Berry Worsham, President and CEO, of Cotton Incorporated gave an update on activities of Cotton Incorporated.

Mark Martens, Vice President of Agri-Placements International, gave a summary of the H-2A program and the employer obligations for H-2A participants. He also discussed the most common violations; the U.S. Department of Labor finds in investigations and how penalties can be avoided in the current enforcement environment.

Darryl Earnest and Gretchen Deatherage, with USDA-AMS Cotton and Tobacco, discussed the importance of producer nominations for the Universal Cotton Standards conference planned for June 2023 in Memphis while updating the ACP on the labor and supply chain challenges facing the cotton classing laboratories.

Robbie Minnich and Tas Smith concluded the meeting by providing a preview of the critical cotton belt Congressional races in the 2022 Mid-Term Elections and as well as an overview of the Committee for the Advancement of Cotton Steering Committee fundraising efforts and urged support.

There being no further business or a request for an executive session, the meeting was adjourned by approximately 11:00 am.