

**Testimony of Nathan Reed**  
**U.S. Senate Committee on Agriculture, Nutrition, and Forestry**  
**March 10, 2026**  
**Washington, DC**

*Introduction*

Good Morning:

I am Nathan Reed, from Marianna, Arkansas. My wife, Kristen, and I own and operate Eldon Reed Farms, Inc, where we farm 9,000 acres of cotton, corn, soybeans, and rice.

I am a proud graduate of the University of Arkansas Dale Bumpers College of Agricultural, Food, and Life Sciences. Kristen and I reside on the farm in Marianna with our four children: twins Jane-Anne and Stanley “Eldon” (13), Katherine (12), and Grace Austin (10).

I am also actively a member of multiple trade associations both nationally and in Arkansas. I currently serve as chairman of the National Cotton Council, which I am representing here today. I am also past chairman of the American Cotton Producers, past president of the Agricultural Council of Arkansas, and serve on the Lee County Farm Bureau Board of Directors.

The NCC is the central organization of the United States cotton industry. Its members include producers, ginner, cottonseed processors and merchandizers, merchants, cooperatives, warehouse, and textile manufacturers. A majority of the industry is concentrated in 17 cotton-producing states stretching from California to Virginia. U.S. cotton processors cultivate between 9 and 14 million acres of cotton, with production averaging from 12 to 16 million 480-lb. bales annually. The downstream manufacturers of cotton apparel and home furnishings are in virtually every state. Farms and businesses directly involved in the production, distribution, and processing of cotton employ more than 115,000 workers and produce direct business revenue of more than \$22 billion. Annual cotton production is valued at more than \$5.5 billion at the farm gate, the point at which the producer markets the crop. Accounting for the ripple effect through the broader economy, direct and indirect employment surpasses 265,000 workers, with economic activity of almost \$75 billion. In addition to the cotton fiber, cottonseed products are used for livestock feed, and cottonseed oil is used as an ingredient in food products and is a premium cooking oil.

*Economic Overview*

We are grateful for the work of this committee over the last year to mitigate the economic situation cotton producers continue to face. While our situation remains a challenge and more must be done, Congress, USDA, and the White House have stepped up to the plate by providing \$108 billion in new money to production agriculture through the Emergency Commodity Assistance Program (ECAP), the Supplemental Disaster Relief Program (SDRP), the farm bill provisions in the One Big Beautiful Bill Act (OBBBA), and the recently announced Farm Bridge Assistance Program (FBA) that is already reaching producer’s bank accounts.

It is critical that producers and all commodity sectors understand the significance of this, especially considering the current political dynamics on Capitol Hill. A year ago, I testified before this committee about the critical need for an improved safety net that would give cotton producers long-term certainty to withstand cotton's current low-price and high-input-cost environment. I want to commend Chairman Boozman and this committee for addressing every one of our industry's priorities in the development and passage of the OBBBA that was signed into law by President Trump on July 4, 2025.

Despite these enhancements, more must be done to ensure our growers can withstand the current economic losses in the short term. Cotton producers are still facing high prices for most production inputs, with projected costs 35 percent higher than in 2018. The financial situation of U.S. cotton growers continues to deteriorate, with current market prices still well below production costs. This is on top of the deep losses producers have already suffered in 2023, 2024, and 2025. Projected acres for the 2026 crop are just above 9 million acres, which would be the lowest since 2015.

Unfortunately for domestic producers, Brazil has surpassed the U.S. as the leading global exporter and is projected by USDA to produce 18.75 million bales, far surpassing U.S. projections of 13.9 million. Over the past decade, Brazil has increased its cotton production from 6 to 19 million bales, the equivalent of adding a year's worth of U.S. production. When combined with Australia, annual exports from the two countries total 20 million bales.

Over the last 20 years, cotton has seen no consistent demand growth. And to make matters worse, during the same period manmade fiber consumption more than doubled, from 200 million bales to over 400 million, with much of that being Chinese polyester priced at 42 cents per pound.

#### *Additional Economic Assistance Needed*

Cotton growers, particularly many of those where I farm in the Midsouth production region, are cratering, and some are even on the verge of total collapse. The FBA takes a step forward in mitigating this crisis. However, payment limits will reduce the benefit for some.

Cotton and rice, two crops that are a major part of my crop rotation and the rotations of other Midsouth growers, received the two highest payments in the FBA due to these crops suffering the largest economic losses. Unfortunately, the lower payment limits for full-time producers cap the level of relief for many growers who need the benefits the most.

ECAP provided partial benefits to growers who filed prevented plant in 2024, in recognition of the fact that a portion of production expenses have to be purchased prior to planting. Despite devastating flooding in parts of the Southeast and Midsouth regions of the Cotton Belt, many growers will not see any benefit from the FBA.

NCC is encouraged by Chairman Boozman and Senator Hoeven's work to try to provide additional assistance for 2025 economic losses. We expect the issues surrounding payment limits

and prevented plant related to FBA can be rectified in any forthcoming economic assistance package. We look forward to working with you and the leadership in the House and Senate to ensure final passage of assistance legislation can be achieved soon.

### *30-Day Prevailing Market Price and Loan Deficiency Payments*

The OBBBA capped a multi-year process that significantly strengthens the producer safety net and provides more affordable risk management options for producers. The Council is working closely with USDA staff on implementation to ensure that their interpretation of statute is consistent with the intent of this committee and Congress.

One implementation issue I want to highlight in my testimony relates to Loan Deficiency Payments (LDPs). The OBBBA made several critical improvements to how USDA's Marketing Assistance Loan (MAL) program functions for cotton by changing the calculation of the Adjusted World Price (AWP) and providing redemption flexibility by amending the repayment rate to the lowest 30-day prevailing market price on the date the loan is repaid.

However, it is now unclear whether USDA will allow the 30-day prevailing market price changes to apply to both Marketing Assistance Loans (MALs) *and* LDPs. The LDP is a beneficial option for all producers, allowing them to take an LDP benefit based on the AWP relative to the loan rate instead of physically placing their cotton in the loan. This allows growers to avoid storage charges while keeping cotton moving through the supply chain. Growers are then able to take advantage of the support benefits of the LDP while not incurring any storage or processing charges.

When the OBBBA changes were drafted, we believe it was the intention of this committee that the 30-day redemption would be available to both MALs and LDPs. As you know, Section 9034 establishes USDA's authorities for repayment of marketing loans. The language used in the drafting of Section 9034 (b)(2) mirrors the existing subsections of Section 9034 that have long allowed growers to take advantage of an LDP in lieu of an MAL gain. If the 30-day redemption is not available for MALs and LDPs, cotton flow will be inhibited, forcing producers to incur additional storage and processing charges.

### *Buying American Cotton Act*

While ad hoc assistance and the farm bill provisions in the OBBBA have helped enormously, the U.S. cotton industry cannot thrive unless we work to build more demand and encourage more global consumption.

NCC's top legislative priority is the Buying American Cotton Act (BACA). We are grateful for the leadership of Senator Cindy Hyde-Smith, who introduced this legislation last year. In January, a House companion bill was introduced by Congressman Greg Murphy (R-NC) and Congresswoman Terri Sewell (D-AL). BACA has strong bipartisan backing and support that extends far beyond the Cotton Belt, as evidenced by House cosponsors from New York, New Jersey, Ohio, and Maine.

BACA is America First. Under this legislation, items that are fully manufactured in the United States or imported into the U.S. would qualify for a transferable tax credit that scales with the level of U.S. cotton content or U.S.-based cotton processing. Higher credit values would apply to U.S. cotton items produced entirely in the United States or in countries with which the U.S. has a free trade agreement or preferential trade program.

Our industry will not survive without stronger demand, and BACA would help position U.S. cotton to compete more effectively against synthetic fibers and against foreign cotton producers, including Brazil. The U.S. represents a 20-million-bale retail market for cotton finished goods, yet we estimate that only 4 million bales of that are U.S. cotton. BACA aims to correct this imbalance.

The bill would apply to cotton products including, but not limited to, apparel, home textiles, and nonwovens, either fully manufactured in the U.S. or imported into the U.S., that are made in whole or in part from U.S. upland cotton or extra-long staple cotton. The eligible beneficiary of the BACA tax credit would be the first U.S. entity selling an eligible article in the U.S. in its final condition. The taxpayer may claim the credit based on the value of the U.S.-grown cotton in the eligible article or may instead elect to claim a higher-value credit based on the value of the U.S.-manufactured yarn or the U.S.-manufactured fabric.

Entities claiming the BACA credit must be able to demonstrate proof of U.S. origin through a trustworthy supply chain tracing system that certifies the provenance and volume of the cotton in the eligible article, or of the yarn or fabric if either of those credit options are selected. The value of the tax credit in the case of cotton fiber is determined as the product of the volume of U.S.-grown cotton in the eligible article and a factored percentage of the rolling three-year average market price. In the case of further processing, the tax credit is multiplied by a price factor of 1.6 for U.S.-manufactured yarn and a factor of 6.5 for U.S.-manufactured fabric to incentivize and reward the consumption of U.S.-manufactured goods.

### *Plant not Plastic Campaign*

In addition, the NCC is striving to increase the demand for cotton globally against synthetic fibers. In September 2025, the industry launched the Plant not Plastic Campaign. Our industry understands that cotton will not regain market share from chemical fibers based on price alone. However, we can capitalize on the advantages of cotton over chemical fibers from a health perspective.

Scientific studies have shown that both wearing and washing synthetic garments can release hundreds of thousands of microplastic particles into the air and water. For example, washing synthetic clothes can release nearly 300 million microplastics per year into the environment while simply wearing the same clothes can release over 900 million microplastics into the air annually. Studies are also looking at the possibility of microplastics being absorbed through the skin.

Over the last couple of years, numerous media publications from the *Chicago Tribune* to the *Los Angeles Times* to the *Guardian* and *Newsweek* have documented studies that outline the possible

negative impacts from microplastic leakage into the body. Microplastics have even been discovered in brain tissues, and some researchers are concerned about microplastic blockage of blood flow.

Health and Human Services (HHS) Secretary Robert F. Kennedy's Make America Healthy Again (MAHA) initiative has highlighted these concerns. We were very pleased to see that the most recent MAHA Commission report calls on HHS, the National Institutes of Health, and the Environmental Protection Agency to further research the health implications of microplastics

### *Conclusion*

In closing, I want to commend the committee for conducting this important hearing to look for ways to build demand for agricultural products here at home.

Most importantly, we urge Congress to pass the BACA in 2026. We believe the demand created through the passage of BACA will bring cotton markets back to a more profitable level for producers while keeping our domestic industry and supply chains thriving in the years to come.

Thank you for the opportunity to testify, and I am pleased to respond to any questions.