

The USDA logo is positioned at the top center of the image, featuring the letters "USDA" in a white serif font above a stylized white wave graphic, all set against a dark blue circular background.

USDA

The background of the entire page is a collage of images related to cotton. It includes a large green cotton bale, a hand holding cotton bolls, a green cotton harvester in a field, denim fabric, cotton blossoms, a cotton gin, a woman working with cotton, colorful yarn balls, a cowboy on a horse, and a cowboy hat with a lasso.

# THE GREAT AMERICAN COTTON PLAN

Naturally Strong Natural Fibers.  
American Grown, Globally Worn.  
Plant, Not Plastic.  
Affordable.

# U.S. COTTON AT A GLANCE:

THE U.S. IS THE  
**4TH LARGEST  
COTTON PRODUCER**  
AND THE 2<sup>nd</sup> LARGEST EXPORTER  
GLOBALLY

TOTAL RETAIL SALES  
in 2025 is estimated at  
**\$320  
BILLION**

U.S. COTTON IS GROWN  
**IN 17 STATES**

U.S. COTTON IS  
grown across  
**12 MILLION ACRES**

THE U.S. COTTON INDUSTRY  
accounts for more than  
**\$21 BILLION**  
in annual products and services

THE U.S. COTTON INDUSTRY  
supports and generates more than  
**125,000 JOBS**

1 BALE OF COTTON CAN MAKE  
**200  
PAIRS  
OF JEANS**



**\$1 OF COTTON VALUE**  
AT THE FARMGATE GENERATES  
**\$15 OF DIRECT  
ECONOMIC  
ACTIVITY**

WITHIN OTHER INDUSTRY SEGMENTS,  
ACCORDING TO THE N.C.C.

# THE CHALLENGE BEFORE US:

## BRAZIL OVERTOOK THE UNITED STATES

AS THE WORLD'S TOP COTTON EXPORTER IN 2023

## COTTON EXPORTS

rose steeply during President Trump's First Administration and then rapidly dropped under President Biden



## THE NUMBER OF U.S. COTTON GINS HAS GONE FROM

2,254  
1980 → 446  
2024



a decline of 80% in the 44-year span.

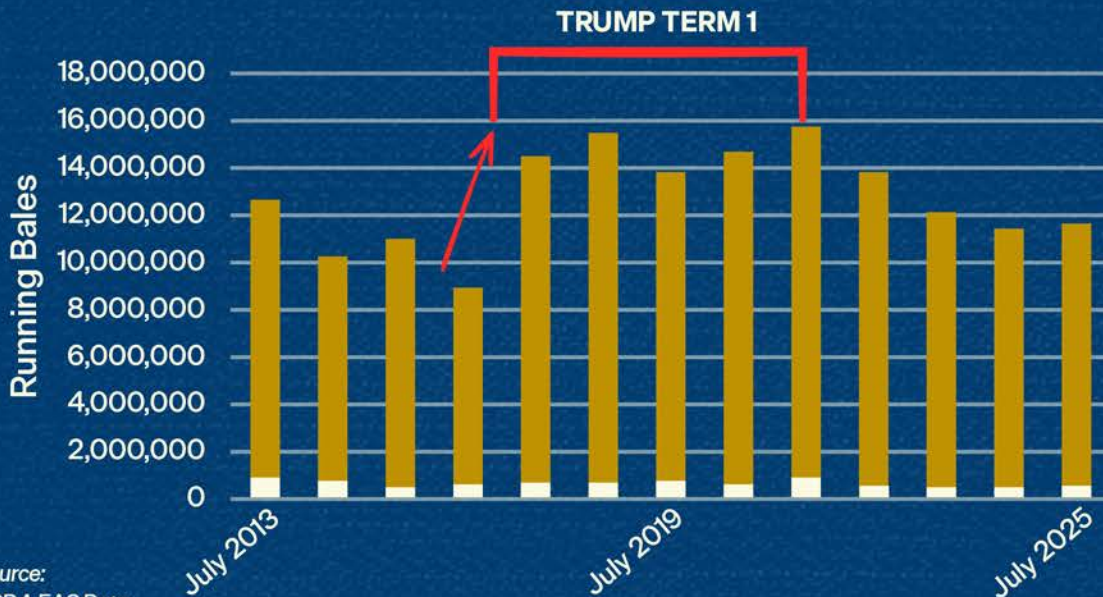
## THE NUMBER OF U.S. TEXTILE MILLS HAS GONE FROM

3,919  
2002 → 1,146  
2022



a decline of 70% in the 20-year span.

## Exports of American Pima and Upland Cotton



# THE GREAT AMERICAN COTTON PLAN

America's cotton growers continue to face the crushing combination of rising input costs and an increase in synthetic material, while also being squeezed by foreign competitors who can sell their fibers at lower prices due to unfair trade practices.

Through implementing the Working Families Tax Cuts Act and through targeted policy strategies, the Trump Administration is bringing about a revival to America's cotton sector, which supports rural communities, while also making cotton products like clothing and medical supplies affordable again.

American cotton producers are experiencing significant relief as a result of the Working Families Tax Cuts Act, including:

- The Death Tax Exemption was made permanent and raised to a \$15 million exemption level per individual (\$30 million per couple) from \$14 million per individual (\$28 million per couple), and is now indexed for inflation, better enabling farms to be passed along to the next generation. Had this provision not been included, two million family-owned farms would have seen their Death Tax Exemption slashed in half in 2026—to a \$7 million exemption level.

- Deferred capital gains on certain farmland sales provides a new benefit to farmers by allowing them to defer payment on the sale of their farmland as long as they sell to another farmer who will keep the land in farming use. This encourages farmland to stay in production and not be sold off for use in activities unrelated to farming.
- Makes permanent 100% immediate deductions up front for farm purchases, including machinery, which was otherwise scheduled to fully phase out in 2027.
- Permanently doubles the maximum amount of qualifying purchases to \$2.5 million under Section 179. This allows businesses to deduct the full purchase cost of qualifying new and used equipment purchased or financed that tax year.
- Added 30 million additional base acres to USDA's Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs. This is the first time in over two decades that USDA has expanded eligibility for commodity programs that use base acres.



# THE PLAN

## Promoting Domestic Cotton Consumption

### ACTION

USDA and other Federal agencies are promoting the Plant Not Plastic initiative to encourage more consumption of materials made with American cotton.

### ACTION

USDA is ensuring its BioPreferred® Program remains funded —after a lapse in mandatory funding— so that biobased products, like those made from cotton, can continue to be certified to use the BioPreferred® label.

### ACTION

The Marketing Assistance Loan Program and the Loan Deficiency Payment Program are two extremely important tools for cotton producers to aid in marketing their commodities. These programs give cotton producers much needed liquidity at harvest so they can best market their crop. The Working Families Tax Cuts Act, effective for the 2026 crop, increased the marketing loan rate for upland cotton to \$0.55 a pound and extra-long staple cotton to \$1.00 per pound. USDA has started these implementation rules, with expected finalization in June 2026.

## PROVIDING AFFORDABLE COTTON BY INCREASING DOMESTIC DEMAND AND PRODUCTION

### ACTION

USDA is prioritizing cotton processors and manufacturers within Rural Development's Business and Industry Guaranteed Loan Program.

### ACTION

The Working Families Tax Cuts Act reauthorized the Pima Agriculture Cotton Trust Fund through 2031, providing domestic manufacturers and associations with \$16 million in support to be administered annually. All funds support U.S. manufacturers, with a portion directed to U.S. clothing manufacturers and U.S. yarn producers to encourage increased domestic production of apparel.

### ACTION

USDA's Economic Adjustment Assistance for Textile Mills (EAATM) program provides financial assistance to American cotton mills to modernize and upgrade their facilities. The Working Families Tax Cuts Act increases its payment rate from 3 cents to 5 cents per pound of cotton processed.



## Improving Cotton Trade

### ACTION

The Working Families Tax Cuts Act authorizes an additional \$285 million per year for the Supplemental Agricultural Trade Promotion Program beginning in fiscal year 2027. USDA is also pursuing Trade Reciprocity for U.S. Manufacturers and Producers (TRUMP) Missions and revitalizing export finance opportunities. USDA will begin this effort early by repurposing Biden era funding to launch the America First Trade Promotion Program.

### ACTION

For the first time in the history of the Agribusiness Trade Mission (ATM) program, in February 2026, Cotton Council International (CCI) participated in the ATM to Indonesia. USDA will continue to support CCI's participation in future ATMs to further prioritize American cotton trade.



## **ACTION**

The United States Trade Representative's Office (USTR), with the support of USDA, has scored several tangible wins for U.S. cotton producers under the Agreements on Reciprocal Trade. Indonesia agreed to support and facilitate commercial arrangements to import at least 163,000 metric tons of U.S. cotton annually for 5 years and then maintain a minimum level of imports of at least 150,000 metric tons. Additionally, Bangladesh will receive a tariff reduction on apparel produced using U.S. cotton and textile inputs, complementing additional tariff elimination wins.

## **ACTION**

Continued support is provided through the Market Access Program (MAP). Over the last 10 years, CCI has been a top recipient of MAP funding, averaging over \$14.7 million annually. CCI leveraged MAP funds to drive global demand through the COTTON USA™ Licensing Program. For example, Walmart's adoption of this licensing program led to a major supplier and leading global home textile manufacturer to purchase an additional 40,000 metric tons of U.S. cotton valued at \$58 million, more than double their previous purchase. This outcome underscores how CCI's MAP-supported licensing program shapes supply chains, strengthens brand credibility, and expands U.S. cotton exports worldwide.

## PROTECTING COTTON GROWERS FROM ADVERSE RISK

### ACTION

As the new cotton jassid pest has been spreading through the United States, the USDA Agricultural Research Service (ARS) has begun research efforts to counter the threat it poses. Scientists are in the process of screening existing germplasm for resistance to cotton jassids and are also in the process of obtaining cotton jassid resistant germplasm from other countries.

### ACTION

Due to the Working Families Tax Cuts Act, producers are now able to purchase Supplemental Coverage Option (SCO) on farms that are enrolled in Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC). This gives producers more freedom to choose the right insurance product and support program for their operation, thereby stabilizing costs for consumers in the future in the face of losses.

### ACTION

By fall 2026, cotton producers will have increased price and revenue protection due to the 14% increase in the seed-cotton reference price for the ARC and PLC programs, secured in the Working Families Tax Cuts Act.

### ACTION

The payment limits for cotton growers participating in ARC and PLC were increased from \$125,000 to \$155,000 and indexed to inflation thanks to the Working Families Tax Cuts Act.



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