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# News Release

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## **USDA Provides Targeted Assistance to Cotton Producers to Share in the Cost of Ginning**

*One-time Payments to Begin in July to Assist with 2016 Ginning Season*

WASHINGTON, June 6, 2016 – Agriculture Secretary Tom Vilsack today announced that the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) will provide an estimated \$300 million in cost-share assistance payments to cotton producers through the new Cotton Ginning Cost-Share program, in order to expand and maintain the domestic marketing of cotton.

“Today’s announcement shows USDA continues to stand with America’s cotton producers and our rural communities,” said Vilsack. “The Cotton Ginning Cost Share program will offer meaningful, timely and targeted assistance to cotton growers to help with their anticipated ginning costs and to facilitate marketing. The program will provide, on average, approximately 60 percent more assistance per farm and per producer than the 2014 program that provided cotton transition assistance.”

Through the Cotton Ginning Cost-Share program, eligible producers can receive a one-time cost share payment, which is based on a producer’s 2015 cotton acres reported to FSA, multiplied by 40 percent of the average ginning cost for each production region. With the pressing need to provide assistance ahead of the 2016 ginning season this fall, USDA will ensure the application process is straight-forward and efficient. The program estimates the costs based on planting of cotton in 2015, and therefore the local FSA offices already have this information for the vast majority of eligible producers and the applications will be pre-populated with existing data. Sign-up for the program will begin June 20 and run through Aug. 5, 2016 at the producer’s local FSA office. Payments will be processed as applications are received, and are expected to begin in July.

Since 2011, cotton fiber markets have experienced dramatic changes. As a result of low cotton prices and global oversupply, cotton producers are facing economic uncertainty that has led to many producers having lost equity and having been forced to liquidate equipment and land to satisfy loans. The ginning of cotton is necessary prior to marketing the lint for fiber, or the seed for oil or feed. While the Cotton Ginning Cost-Share program makes payments to cotton producers for cotton ginning costs, the benefits of the program will be felt by the broader marketing chain associated with cotton and cottonseed, including cotton gins, cooperatives, marketers and cottonseed crushers and the rural communities that depend on them.

The program has the same eligibility requirements as were used for the 2014 Cotton Transition Assistance Program, including a \$40,000 per producer payment limit, requirement to be actively engaged in farming, meet conservation compliance and a \$900,000 adjusted gross income limit.

To learn more about the Cotton Ginning Cost-Share program, visit [www.fsa.usda.gov/cgcs](http://www.fsa.usda.gov/cgcs) or contact a local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>.

Since 2009, USDA has worked to strengthen and support American agriculture, an industry that supports one in 11 American jobs, provides American consumers with more than 80 percent of the food we consume, ensures that Americans spend less of their paychecks at the grocery store than most people in other countries, and supports markets for homegrown renewable energy and materials. USDA has also provided \$5.6 billion in disaster relief to farmers and ranchers; expanded risk management tools with products like Whole Farm Revenue Protection; and helped farm businesses grow with \$36 billion in farm credit. The Department has engaged its resources to support a strong next generation of farmers and ranchers by improving access to land and capital; building new markets and market opportunities; and extending new conservation opportunities. USDA has developed new markets for rural-made products, including more than 2,500 biobased products through USDA's BioPreferred program; and invested \$64 billion in infrastructure and community facilities to help improve the quality of life in rural America. For more information, visit [www.usda.gov/results](http://www.usda.gov/results).

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