Chairwoman Stabenow, Ranking Member Roberts and Members of the Committee, thank you for holding this hearing and for allowing me to present testimony on behalf of the US cotton industry. My name is Chuck Coley and I am a farmer and ginner from Vienna, Georgia. We have submitted detailed written testimony so I will use my limited time to express our industry’s strong support for a balanced, predictable and sustainable commodity policy that allows farmers, their bankers and downstream processors to manage risks over which we and they have little or no control. We also join the other commodity and farm groups in respectfully urging you and your colleagues to act as expeditiously as possible.

As most of you know, Texas, Oklahoma and parts of Kansas continue to experience a prolonged drought so severe even operations with irrigation have been unable to produce crops. Fortunately, those producers had access to crop insurance products which will enable them to preserve sufficient resources to plant and harvest crops when the drought finally breaks.

I can cite the specific example of former Council chairman Woody Anderson, who farms in Colorado City, Texas. Woody has invested in drip irrigation, biotech and precision ag equipment. Even with that investment he was unable to harvest a single acre of cotton due to the drought. Without crop insurance and other assistance, he would not be able to continue to operate his third-generation family farm.

The availability of effective risk management tools like crop insurance is important even in so-called normal years to underpin producers' ability to invest in the inputs, technology and equipment necessary to produce and market a crop at a price and quality that allows the US to be the most reliable cotton producer in the world.

Weather and other uncontrollable risks are one of the main reasons the Council supports development of a revenue insurance policy that complements current insurance products. I farm with my son Matt and I own and operate a cotton gin, which I manage with my wife. As a ginner, I am responsible for preserving the value and quality of the cotton produced by my customers.

I also assist them in marketing their crop. The increasing volatility of commodity markets, particularly cotton, has made the risks of marketing a crop incredibly challenging. Even those
of us who utilize futures markets and devote significant time to studying markets find market volatility increasingly difficult to manage, and the expenses associated with hedging drains our capital resources.

I would also add that in the case of cotton, the traditional marketing assistance loan set well below the market provides important collateral for production loans and allows orderly marketing with minimal net costs to the government and no disruption of market signals.

The farm bill is also important to US textile manufacturers who purchase nearly 100% of the cotton they process into cotton products from US farmers. The ability of US growers to invest in varieties, technology and equipment necessary to produce top-quality cotton enables our yarn spinners to compete on price and quality in world markets and to provide top paying manufacturing jobs.

The US cotton industry recognizes that future farm policy must fit ever-shrinking budget parameters.

In addition, I want to emphasize that the US cotton industry is committed to work with Congress and the Administration to find a permanent resolution to the longstanding US-Brazil WTO case. We have proposed a risk management product that significantly changes the structure of the cotton program and is estimated to significantly reduce outlays compared to previous years. It is also a 30% reduction compared to extending the existing cotton program. The changes are substantial and will require adjustment in every segment of the industry --- but they are necessary for us to move forward.

Thank you for your attention and consideration of my remarks. I look forward to answering any questions you have about my testimony or the cotton industry.