Testimony of Patrick Johnson

House Committee on Agriculture

September 16, 2026

Washington, DC

Introduction

I am Patrick Johnson, a partner at Cypress Brake Planting Co., a family farming operation in the Mississippi Delta in Tunica, MS. My farm produces cotton, rice, corn, soybeans, and wheat. I am also involved in several ag-related businesses, including Buck Island Seed Co., Three Way Gin, and Tunica Air Inc., an aerial application service.

Economic Conditions for Mississippi Delta Producers

We are grateful for this committee's work over the past year to mitigate the economic challenges producers continue to face. Since the 2024 crop, Congress, USDA, and the White House have provided approximately $108 billion in new financial resources to production agriculture through the Emergency Commodity Assistance Program (ECAP), the Supplemental Disaster Relief Program (SDRP), Farmer Bridge Assistance (FBA), and the farm bill provisions of the Working Families Tax Cut Act.

The benefits from the enhanced reference prices in the Working Families Tax Act will reach producers' bank accounts next month, better aligning the crop safety net with current production costs. This legislation will also help growers to more readily afford higher levels of crop insurance coverage on both underlying and area-wide policies to better manage revenue and yield declines.

We now hope Congress will adopt a modernized, five-year farm bill before the end of the year. The Farm, Food, and National Security Act, which was reported out of this committee on March 5 and passed the House in April, will provide greater certainty for U.S. producers and our rural communities by investing in improvements to conservation programs, modernizing financing tools, and expanding investment in research, innovation, and extension services.

We are grateful that members of this committee recognize that more must be done to ensure our growers can withstand the current economic pressures. We also strongly support the goal of President Trump and Congress to provide additional economic assistance for growers in a new budget reconciliation package.

While the market for most major row crops in the Mississippi Delta has improved, many of our producers have been overwhelmed by record-high input costs and by market prices that have fallen below production costs. Growers in my area are now in their fourth consecutive year with input costs above the prices they receive in the marketplace. Producers like me and others in my community continue to face significant financial pressures. Many are expressing frustration and are concerned about the liquidity of their operations as they strive to withstand the most challenging financial period they have ever faced.

Buying American Cotton Act

While ad hoc assistance and the farm bill provisions of the Working Families Tax Act have helped enormously, agricultural producers cannot thrive unless we build more demand and encourage greater global consumption.

The Buying American Cotton Act (BACA), introduced in the House by Congressman Greg Murphy (R-NC) and Congresswoman and Terri Sewell (D-AL), and by Senator Cindy Hyde-Smith (R-MS) in the Senate, would help position U.S. cotton to compete more effectively against synthetic fibers and foreign cotton producers, such as Brazil.

We are very encouraged that nearly 100 cosponsors across a broad range of the political spectrum have signed on to the House BACA bill. In fact, only one other tax bill newly introduced in the House this year has a higher number of cosponsors, and support for BACA extends far beyond the Cotton Belt, as evidenced by cosponsors from Connecticut, Illinois, Maine, Massachusetts, New Jersey, New York, Ohio, Pennsylvania, and West Virginia.

BACA is America First. Under this legislation, items fully manufactured in the United States or imported into the U.S. would qualify for a transferrable 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 a preferential trade program.

The long-term success of the U.S. cotton industry depends on demand. The U.S. has a 18-million-bale retail market for cotton finished goods, yet only 4 million bales of that are estimated to be 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, whether 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 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, alternatively, elect to claim a higher-value credit based on the value of U.S.-manufactured yardage or U.S.-manufactured fiber.

There is no higher priority for our industry than securing passage of BACA, and we thank the numerous members of this committee who have supported this key legislation.

Plant not Plastic Campaign

In addition, the National Cotton Council launched the Plant Not Plastic campaign in September 2025 to encourage consumers to choose cotton products over synthetic alternatives.

The cotton industry understands that we will not regain market share from chemical fibers based on price alone. However, we can capitalize on cotton's health advantages over synthetics.

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 into the air each year. Studies are also examining the possibility of microplastics being absorbed through the skin.

Over the last couple of years, numerous media outlets, including the Los Angeles Times, the Chicago Tribune, Newsweek, and Fox News, have reported on studies outlining the possible negative impacts of microplastic leakage into the body. Microplastics have even been discovered in brain tissues and male prostates, and some researchers are concerned about microplastic blockage of blood flow.

Despite limited funding, the launch of the Plant Not Plastic campaign has been a tremendous success story. In just eleven months, we've seen coverage of the campaign appearing across business and agriculture publications, blogs, and social media. reaching over 462 million U.S. consumer impressions. Continued outreach is underway with more than 650 additional news editors throughout the globe.

Ag. Investment for America Coalition

The Ag. Investment for America coalition has proposed a new domestic agricultural tax credit to increase demand for American farm products while providing food and beverage manufacturers new motivation to shift more of their supply chain to domestic sources. The coalition represents a broad spectrum of the agriculture/commodity and food/beverage manufacturing sectors. Coalition members include: American Farm Bureau Federation, American Malting Barley Association, Catfish Farmers of America, FMI-the Food Industry Association, Independent Bakers Association, National Association of Manufacturers, National Association of Wheat Growers, National Barley Growers Association, National Council of Farmer Cooperatives, National Pecan Federation, National Sorghum Producers, North American Millers' Association, U.S. Chamber of Commerce, U.S. Peanut Federation, and USA Rice.

Amid volatility in global trade policies and supply chain vulnerabilities exposed by international events, there has been growing interest in domestically sourced agricultural products. The renewed focus on tariffs is once again highlighting the importance of both maintaining and expanding domestic manufacturing. One complementary means of achieving greater domestic supplies is to establish a tax credit to incentivize and reward purchases of domestically grown U.S. agricultural products.

Tax Credit to Strengthen Domestic Demand for U.S. Grown Commodities

As proposed by the coalition, the benefit would apply to qualifying businesses, including farmer cooperatives, through a new tax credit for purchasing raw agricultural commodities sourced from American growers that are then used in domestic production and manufacturing processes. The credit is equal to 25% of the business's costs incurred in the purchase of American-grown raw agricultural commodities for the purposes of manufacturing.

The purpose of a domestic agricultural tax credit is to provide a behavioral/financial incentive for businesses who operate in U.S. markets to maintain and increase investment in domestic sourcing of agricultural inputs from U.S. growers. This concept is designed to increase demand for American farm products, while providing the business community new motivation to shift more of their supply chain to domestic sources. Onshoring a greater portion of agricultural production materials and food/beverage ingredients brings with it many benefits, including:

• Less volatility across agricultural sectors by providing a boost in demand here at home.

• A reason to shift from foreign investment to domestic investment, including capital expenditure expansion.

• Reduced need for utilization of imports from foreign markets, which increases our ability to ensure the security of our food supply chain through increased domestic sourcing.

• Eased supply chain pressures resulting from an over-reliance on or over-utilization of foreign markets.

• Greater certainty regarding the practices and inputs used to produce commodities including crop protection products, technology, and sustainability practices.

• Increased direct, indirect, and induced impacts including increased domestic economic output and U.S. jobs.

Grown in America Act

The Grown in America Act (GIAA) (HR 1707), introduced by Representatives David Kustoff (R-TN) and Jim Costa (D-CA), would provide an immediate boost in domestic demand for U.S. grown crops like rice that rely on the domestic market to consume at least half of annual rice production.

As major export markets become less reliable and more distorted by unfair trade practices, the rice industry needs to grow demand domestically, while also pursuing policies to help minimize the growth of imported rice, which is currently taking market share away from U.S. rice farmers.

This bill would provide a tax credit to help incentivize U.S. food and beverage manufacturers to purchase more U.S.-grown crops over imports for the production of food and beverage products. This policy helps to strengthen and grow the domestic demand base and strengthen our domestic manufacturing sector for food/beverage. Businesses must source the majority of their agricultural products from domestic producers to quality for the credit, beginning with at least 50% and increasing to 85% over 8 years.

While additional financial and economic support is critical in the near term, and aggressive trade policies to confront the unlevel export markets we compete in, policies like the Grown in America Act can help now to grow demand here at home, where producers can realize more of the value of their crop when used domestically, and generate greater economic activity and job creation in our rural communities.

Economic Analysis of Grown in America Act

The Agricultural and Food Policy Center at Texas A&M University provided the coalition with an analysis of the proposal earlier this year. The purpose was to estimate the economic impact of the proposed tax credit at the national, state, and congressional district levels. Overall, the report estimates that the tax credit—valued at an estimated $1.3 billion annually—will result in $2.36 billion in new economic output annually while generating almost 7,000 jobs per year.

California is by far the largest beneficiary, with an economic impact of more than $305 million per year. Texas, Illinois, Wisconsin, and Ohio round out the top 5, each with economic impact exceeding $100 million annually.

The two maps below show the level of benefit by state and by Congressional district.

Figure 1. Annual Economic Impact of an Agricultural Sourcing Tax Credit by State.

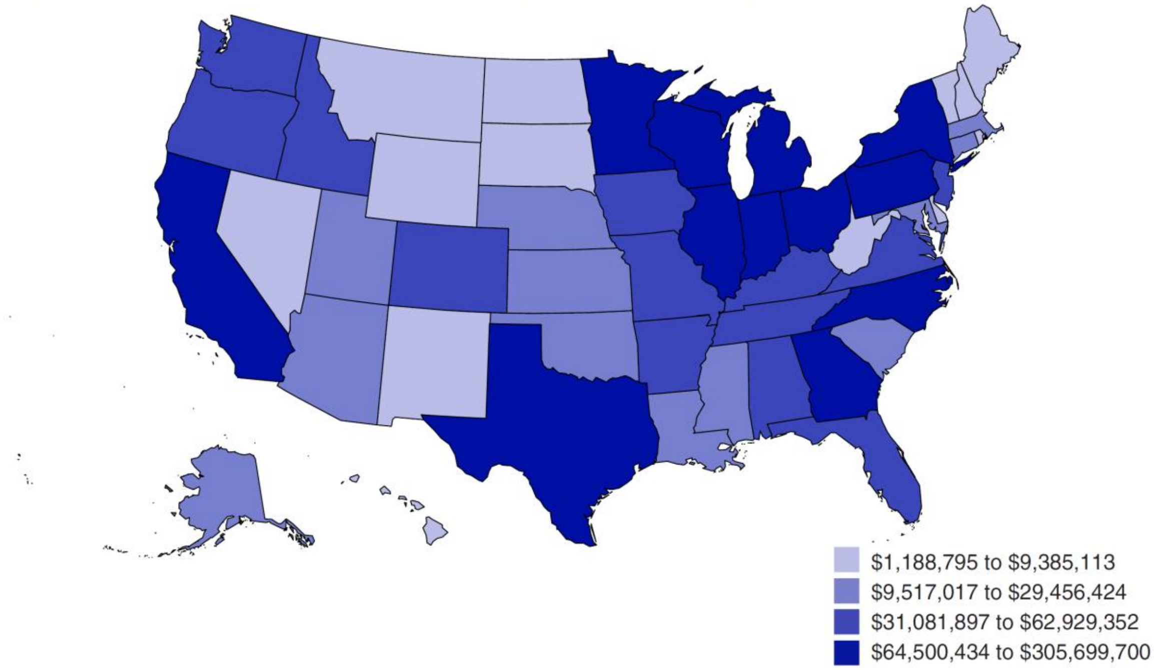
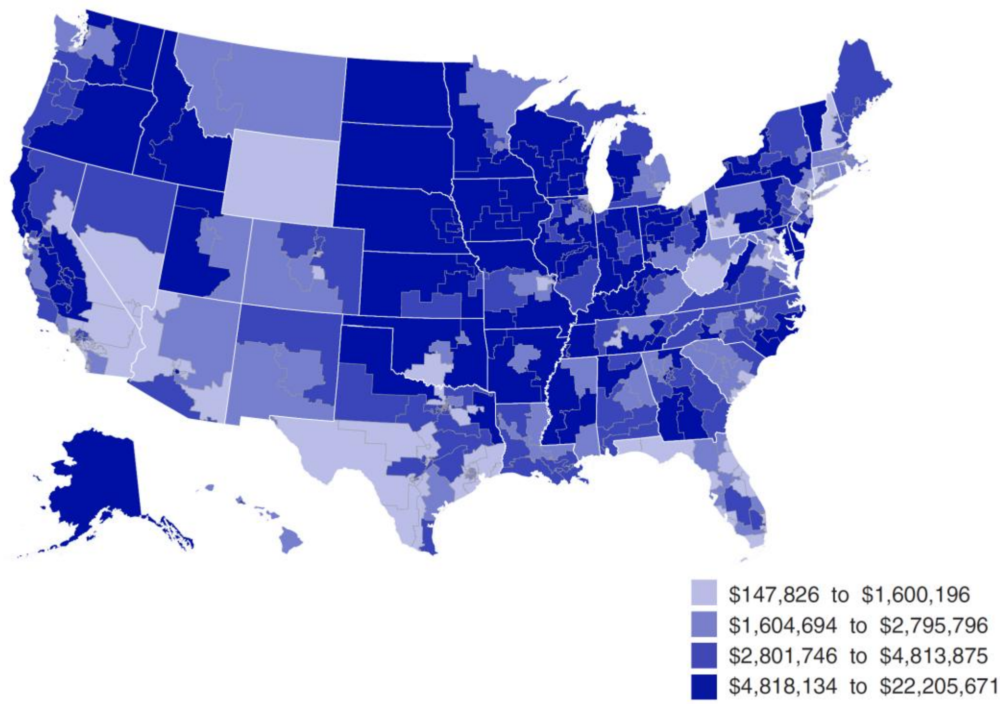


Figure 2. Annual Economic Impact of an Agricultural Sourcing Tax Credit by Congressional District.



The tax credit presents an opportunity to strengthen and enhance the mutually beneficial relationship between American farmers and the businesses that help the farmers' bounty reach their ultimate customer – the consumer.

The tax credit provides a strong financial motivator for businesses to shift their purchasing behavior and source agricultural inputs domestically. It generates more demand for crops grown by American farmers.

Why two different but parallel policies

The GIAA would provide a tax credit to help incentivize and promote greater domestic demand and usage of U.S. grown commodities for food and beverage manufacturing in the U.S while BACA while focuses on expanding demand for U.S. cotton that would in turn create incentives to enhance the consumption of U.S. cotton to support the domestic textile industry. Both of these tax credit proposals have the same goal, and are parallel in their purpose, but the mechanics are different in order to reflect the different nature of the supply chains.

C*onclusion*

In closing, I want to commend the Committee for conducting this important hearing to explore ways to increase demand for U.S. agricultural products.

Most importantly, we urge Congress to pass the Buying American Cotton Act and the Grown in America Act before the end of the year. We believe passing both pieces of legislation will bring cotton and rice markets back to a more profitable level and keep demand for our domestic industry and supply chains strong in the years to come.

Thank you for the opportunity to testify. I am pleased to answer any questions.