

# **Southern Commodities, Rates, Opportunities, Production, and Support (Southern CROPS) Act Section-by-Section**

## **Section 1. Short Title**

## **Section 2. Additional Base Acres for Underserved Owners and Operators**

- Provides a one-time opportunity for an underserved farmer of covered commodities to establish or increase base acres. Underserved farmers include beginning, veteran, socially disadvantaged, limited resource and economically distressed producers.
- Both underserved operators that rent land and underserved landowners are eligible.
- Eligible underserved producers may add base acres to a farm if the recent planting history exceeds the total number of base acres currently on the farm.
  - No more than 160 base acres may be added to any farm.
  - Added base acres will reflect acreage planted or prevented from planting of covered commodities for the 2018-2022 crop years.
  - If an underserved producer is no longer the owner or operator of the farm during the 2025 through 2029 crop years, the additional base acres added under this provision would be dropped.
- Many underserved farmers have never had an opportunity to participate in the ARC/PLC safety net, and this provision takes a step toward reducing this disparity.

## **Section 3. Input Cost Escalator for Marketing Assistance Loan Rates**

- Beginning with crop year 2025, USDA shall calculate marketing loan rates using a cost of production adjustment to increase the loan rate if the forecasted input costs are above average.
- If the cost of production – as forecasted by USDA’s Economic Research Service – is greater than the 5-year average cost of production, then USDA shall increase all marketing assistance loan rates by the same percentage as the increased cost of production, up to 110% of the statutory marketing loan rates.
- If this provision had been in place before, it would have triggered an increase in marketing loan rates in each of the past 5 years and at 10% for 2022, 2023 and 2024.
- The higher loan rate provides a better floor price for farmers and increases the size of the low-cost loan that is available.

## **Section 4. Textile Mills**

- Increases the value of assistance provided monthly to domestic users of upland cotton under the Economic Adjustment Assistance for Textile Mills program from 3 cents per pound to 4 cents per pound.
- This increase will encourage more local options for farmers to sell cotton for domestic production, which supports domestic jobs and rural communities.