

USDA to Provide \$50 Million in Support to U.S. Cotton and Wool Apparel Manufacturers Impacted by the Pandemic

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WASHINGTON, May 5, 2022 — The U.S. Department of Agriculture (USDA) today announced a commitment of \$50 million to assist eligible apparel manufacturers of worsted wool suits, sport coats, pants, or Pima cotton dress shirts; Pima cotton spinners; and wool fabric manufacturers and wool spinners. The new Cotton and Wool Apparel (CAWA) program is part of USDA's <u>Pandemic Assistance for Producers</u> initiative and the Department's efforts to help our food, agriculture and forestry sectors get back on track and plan for the future.

"The transition toward remote work at the onset of the <u>COVID-19</u> pandemic led to a dramatic decrease in consumer demand for dress clothing, which has continued to affect the entire supply chain of Pima cotton and wool," said Farm Service Agency (FSA) Administrator Zach Ducheneaux. "While many manufacturers of these products shifted to the production of personal protective equipment, the industry has nevertheless struggled to recover from a persistent and significant decline in sales. The relief announced today will help keep these manufacturers in business, which will ultimately support American workers and the domestic Pima cotton growers and wool producers who rely on this industry."

CAWA will support eligible entities who experienced a decrease of at least 15 percent in 2020 gross sales or consumption of eligible products compared to the applicant's gross sales in any of calendar years 2017, 2018, or 2019. Payments to eligible entities will be based on their pre-pandemic market share. Additionally, eligible entities must have filed an affidavit for a payment in any year from 2017 to 2021 for the Pima Agriculture Cotton Trust Fund or Agriculture Wool Apparel Manufacturers Trust Fund through USDA's Foreign Agriculture Service (FAS).

USDA's FSA national office is administering the direct payments which will be funded by the Commodity Credit Corporation. More information is available in the <u>Notice of Funding Availability on</u>

the Federal Register.

USDA touches the lives of all Americans each day in so many positive ways. Under the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit <u>usda.gov</u>.

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