



COMMENTATOR



PLAINS COTTON COOPERATIVE ASSOCIATION | SPRING 2015

WORLD PRODUCTION/ CONSUMPTION ESTIMATES

RIISING TO THE CHALLENGE

COLLEGE GRADUATES ENHANCE FARM OPERATIONS

PCCA MEMBERS UTILIZE MEMBER ACCESS

COMMENTATOR

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On the cover...

PCCA's Warehouse Division has had to change the way it is stacking the cotton in the warehouses to accommodate this year's crop. See related story on page 2.

Photo by Jayci Cave





World Cotton Production ESTIMATES Continue to Increase While Consumption Falls

BY JOHN JOHNSON

Since the beginning of 2015, the U.S. Department of Agriculture twice has raised its estimate of 2014-15 world cotton production and twice lowered its estimate of world consumption resulting in further growth of already burdensome ending stocks.

In its January supply and demand reports, USDA raised world production by 190,000 bales to 119.17 million and lowered world consumption by 360,000 bales to 112.24 million. The revised estimates resulted in a 560,000-bale increase for world ending stocks to 108.64 million. Most of the production increase was attributed to the U.S. crop which the department raised by 160,000 bales to 16.08 million. U.S. domestic use and exports were unchanged, but U.S. ending stocks were increased 100,000 bales to 4.70 million. The bearish balance sheets from USDA along with negative economic news helped keep nearby cotton futures prices in the upper 50-cent range for most of the month.

U.S. retail sales in December were down a seasonally-adjusted 0.9 percent, the poorest performance since January 2014, according to one analyst. Undoubtedly, it was disappointing news for some cotton traders when the data was released in mid-January. Meanwhile, the World Bank lowered its estimate for global economic growth. The International Monetary Fund also cut its global growth forecast for 2015 and 2016, and China's fourth quarter GDP fell to its slowest pace in 24 years. Additionally, China's National Development and Reform Commission reconfirmed cotton import quotas this year will be limited to the 4.1 million bales mandated by the World Trade Organization.

With a tight lid in place on cotton futures prices, U.S. export sales surged. From the week ended Dec. 18 through the week ended Jan. 29, export sales of U.S. cotton totaled 2.43 million bales due to strong foreign mill demand for medium- and high-grade cotton. During that period, marketing-year highs were set for three consecutive weeks with 546,200 bales being the highest weekly sales figure. The export sales cooled off in February, but it was enough to impact USDA's next monthly supply and demand estimates.

In its February reports, the department raised its estimate for U.S. cotton export sales by 700,000 bales to 10.7 million. However, consumption by U.S. textile mills was lowered 150,000 bales to 3.65 million, but estimated U.S. ending stocks fell 500,000 bales to 4.2 million. USDA again raised its estimate of world production for the 2014-15 marketing year by another 200,000 bales to 119.37 million and lowered consumption a whopping 990,000 bales. Consequently, world ending stocks now are pegged at 109.84 million bales, up 1.2 million from the January estimate.

Just days after USDA raised its estimate for U.S. export sales, the department reported a net reduction of 69,700 bales for the week ended Feb. 12 following can-

cellations of 81,700 bales by Turkey, 19,700 bales by China, and 13,300 bales by Mexico. Meanwhile, weekly U.S. cotton export shipments have remained strong despite congestion at West Coast ports resulting from the ongoing labor dispute. As of Feb. 18, there was an estimated one million bales of U.S. cotton at the ports waiting to be loaded on vessels going to Asia, obviously causing sleepless nights for some merchants and shippers worried that letters of credit from foreign mills could expire before the cotton could be shipped. However, there were news reports late Feb. 20 that a tentative deal had been reached by the union and port management.

February also was a fairly good month for bulls in the cotton market as futures prices began to advance. Through Feb. 18, March and May futures contracts settled on positive ground 13 out of the previous 17 sessions at the Intercontinental Exchange (ICE). Also on Feb. 18, May cotton settled above 65.00 cents per pound, and December settled at 65.47, up 56 points.

January and February also saw improved sales in the spot cotton market. From the week ended Dec. 31 through the week ended Feb. 19, producers sold a total of 600,892 bales online. Average prices received mostly ranged from the low- to mid-50s during the two-month period. At least some of the sales volume was triggered when it became apparent the loan deficiency payment (LDP) would be declining as USDA began raising its calculation of the adjusted world price (AWP).

Finally, there have been no further developments regarding the anti-dumping investigation brought by the Turkish government against U.S. cotton suppliers and the threat of a provisional duty placed on U.S. cotton imported by Turkish mills. ☺



RISING to the Challenge

Warehouse Receipts Exceed Early Estimates

STORY AND PHOTOS BY JAYCI CAVE

A warehouse employee loads a truck for shipment in the cold weather in Altus, Oklahoma.

Plains Cotton Cooperative Association's Warehouse Division employees have risen to the challenge to handle this year's crop which is significantly larger than originally expected. The early estimates predicted the division would receive approximately 950,000 bales, and the estimate is now 1,150,000. When handling a crop of this magnitude, the Warehouse Division has had many challenges to overcome to ensure everything runs smoothly and efficiently.

Tracy Springs, Warehousing North Regional Manager who manages the plants in Altus, Okla. and Liberal, Kan., said that storing a crop this large in the same amount of space and keeping up with the speed the cotton was coming in from the gins have been the primary challenges this year.

"If anyone had known that this crop was going to turn out as good as it has," Springs said, "we would have started stacking the bales in the warehouses different from the start."

In the Texas Rolling Plains area, Danny Helms, Warehousing South Regional Manager who oversees operations in Sweetwater, Rule and Big Spring, Texas, is expecting to receive approximately 100,000 bales more than the original estimate. He said this has caused more time to be spent handling the cotton and changed the way the cotton is stacked in the buildings.

Jay Cowart, PCCA's Vice President of Warehousing, said they began stacking the plant in Sweetwater row stacked, two high with the early estimates and later realized they would have to switch to row stacked, three high.

"We stacked half of that plant or better two high before we discovered the crop had gotten larger," Cowart said. "So then we converted to three high and now we are going to go back and restack those buildings to make enough space." Helms said it can be difficult to find time and employees to restack the buildings.

"Once all buildings have been filled the first time and after shipping enough cotton to justify restacking a building," Helms said, "you have to figure out how to come up with the time and employees to restack buildings and fill them up again with new cotton."

In Altus, Springs said they are drastically exceeding the early estimate by 148,000 bales. With this increase, they have started to block stack all inbound cotton into 100 bale blocks instead of row stacking the cotton.

The difference between row stacking and block stacking is the process of locating the bale when it is time for it to be shipped. Row stacking is efficient because machine operators are able to get to any bale without having to move another bale. On the other hand, block stacking increases the labor and equipment requirements coming in and going out because in order to get to the bale employees need, they may have to move up to 50 bales of the 100 bale stack.

"This has enabled us to store 2,300 more bales per shed than we would normally be able to with conventional row stacking," Springs said. "This gains us the equivalent of a shed for every three sheds that we fill. We also had to receive cotton in multiple locations to allow us to get the gin trucks unloaded in a timely manner due to the speed in which the cotton was being delivered."

Cowart said they were two-thirds of the way through stacking the plant in Altus when they realized how large this crop was going to be. As a result, they will have to restack 20 of the 52 buildings in Altus to be able to fit this large crop.

"We have to do that after the end of the day," Cowart said. "What happens is, there are current shipping orders that you are pulling out of this cotton that you need to restack. So, you can't restack and not have it located because someone is going to come looking for that bale. Therefore, after the end of the day, a crew stays and works overtime to set those buildings back and get them

relocated before time to start the next day.” Springs said it can also be challenging when you are pulling cotton from both row stacked and block stacked bales.

“Another challenge has been handling shipping orders that come out of both row stacked cotton and blocked cotton at the same time. The blocked cotton has to be broken out in rounds which requires us to have a sorting area so that the mix of multiple lots to be shipped can be placed together.”

Cowart said PCCA’s Information System’s Department helps with the process of pulling bales out of the block stacked cotton. They have written software that will show all of the cotton that is scheduled to come out of that block in the next few days. This allows them to get cotton for multiple orders when they break into a block of 100 bales. They also use color-coded bale tags when possible to make the bales easier for the warehouse employees to find.

The warehouse division has a total of 83 employees, 67 full-time and 16 seasonal, at all warehouse locations. Springs said they have had to hire additional employees to be able to handle the crop this year.

“All of these employees are new to the cotton warehouse world so there has been a great deal of training that had to be done,” Springs said, “however, they have done a great job, and I am very pleased with how well they have handled the learning process.” Cowart said PCCA has limited experience with block stacking cotton, but so far the transition is going well.

“Across a plant that is row stacked three high, you hope each employee can average getting 40 bales an hour out of the building,” Cowart said. “With block stacking, we were told to expect to initially get only about 20 bales per hour, and we are beating that substantially today.”

While dealing with the changes in procedure, the Warehouse Division employees have maintained a normal shipping schedule at all locations.

“We have a shipping standard in the warehouse business, and it is 4.5 percent of your CCC licensed capacity that you must provide per week. So all warehouses schedule that much or a little more. All of our plants right now have at least 21 days of that in front of them.”

PCCA warehouses are exceeding the 4.5 percent shipping standard, and Cowart said they currently are shipping about 7.0 to 7.5 percent of the CCC licensed capacity per week.

Cowart said he is amazed by the amount of work they are getting done at the plants. He expects that they will run approximately 460,000 bales through the plant in Altus this year.

“The plant’s capacity by the previous standards was 345,000 bales,” Cowart said, “when row stacked three high. In 2007, we ran 443,000 through here, all row stacked. It shipped fast

enough and the receiving pace was slow enough that we could do that. In 2007, we restacked every single building on that plant once and some twice. This time, that won’t occur because of the block stacking.”

Although it is hard to determine what the end results will be, Cowart said he is anticipating the income to rise a little more than expenses for this crop year.

“Our fixed expenses are going to get allocated over additional bales driving fixed costs per bale down, but on the same hand our variable costs of having to restack and block stack will go up,” Cowart said. “On a per bale basis, I think it will be close to a push, but I expect income to rise a little more than expenses.”

Helms said the employees have adapted well to all the changes they have faced this year, and they have helped the process go smoothly by working smarter and offering their ideas on how they could improve on procedures. Springs said having experienced employees also has made a difference this year, and he is proud of their hard work and dedication.

“We have a great group of employees, and I think they can adapt to any challenge that we throw at them,” Springs said. “This has been a whole new experience for them as well as myself, and they have taken it all in stride and are doing an excellent job. They take pride in what they are doing, and they want to be the best at it for themselves and for PCCA. They have had to work a lot of long, hard hours yet they show up to work everyday with no complaints. I would put the employees that we have up against anyone, and I know they will shine.” ☺



When possible, the Warehouse Division color codes bale tags to help employees more easily locate the bale they need. Each color corresponds to the last number of the bale tag number.

The Ups and Downs of **Cotton Production** **2014 Crop in Review**

Story & Photos
By Jayci Cave



Module trucks at Farmers Cooperative Association of Eldorado are parked for the year after a record breaking ginning season.

At the beginning of the 2014 crop year, farmers across Texas, Oklahoma, Kansas, and New Mexico were praying for rain to be able to grow a successful crop. Nearing the end of the crop year, wet weather in some areas delayed the harvest and ginning operations. The abundance of moisture across the region is setting farmers up for what looks to be a promising start for the 2015 crop.

South Texas and Kansas had timely rains and favorable weather during the growing season which resulted in abundant crops for both areas. West Texas and Oklahoma faced a challenging year with much of the crop uncertain in the beginning due to the lingering drought. However, some areas of the region still managed to harvest plentiful crops.

South Texas Plains Cotton Cooperative Association's South Texas Division Manager Cris Gwinn said most of that area was fortunate to have ideal weather for growing this crop.

"The region as a whole enjoyed bountiful rain during the growing season with the exception of the Corpus Christi area," Gwinn said. "The Corpus area was one good rain away during July from having a tremendous crop. We were blessed with excellent weather for our harvest which in turn provided an outstanding quality of cotton and a speedy harvest."

Winter Garden Coop in Batesville, Texas, United Ag Coop in El Campo, Texas, and LaFeria Coop in the Lower Rio Grande Valley all set ginning records for the 2014 crop year. Winter Garden Gin Manager Lance Bradford said other than handling more cotton, the ginning season went "pretty smoothly" for them. This was their second year to use PCCA's Module Tracking program.

"Module Tracking helps us a lot to keep our modules straight and everything," Bradford said. "It makes the day-to-day activities at the gin run smoothly." Moreman Coop Gin and Coastal Bend Coop Gin both used Module Tracking for the first time this year and plan to continue to utilize the service in the future.

LaFeria Coop Gin also set a "pretty significant" ginning record for the 2014 crop year. Gin Manager Ed Landry said the season was a success because of everyone's hard work and dedication.

"Big crops come with big challenges during the season and afterwards," Landry said. "Thanks to the gin being in excellent condition, no situation seemed too big to overcome. Other than the excessive amount of rain, the only major breakdown was the top ram of the press."

Jimmy Roppolo, Gin Manager at United Ag Coop, said the extensive rainfall during harvest and ginning season caused them to face many weather related issues. He also said the Module Tracking program played a large role in the ginning operations the past two years.

"They did a great job of working on the program and changing some things for us that we happened to run into problems with," Roppolo said. "It is a good program and it is maintained. It has helped us out quite a bit."



As of mid-February, ginning was still in full swing at Farmers Coop Society in Wellington.

Coop Gins that set records with the 2014 crop.

COYANOSA

Previous Record: 14,186

2014 Record: 14,194

CARNEGIE

Previous Record: 29,452

2014 Record: 42,442 Estimate

MERETA

Previous Record: 63,320

2014 Record: 90,000-95,000 Estimate

WELLINGTON

Previous Record: 108,540

2014 Record: 125,000 Estimate

UNITED AG

Previous Record: 150,757

2014 Record: 153,737

WINTER GARDEN

Previous Record: 75,468

2014 Record: 76,761

LAFERIA

Previous Record: 27,853

2014 Record: 40,989

ELDORADO

Previous Record: 28,324

2014 Record: 38,490

Kansas The 2014 crop in South-Central Kansas proved to be one for the books as farmers in the region harvested record yields. The average yield for the region in recent years has ranged from 600 to 650 pounds of lint per acre, but this season's average was almost 900 pounds. PCCA's Marketing Communications Area Manager Zach Hrencher said the farmers in Kansas played a significant role in making the 2014 crop a success.

"This year's yields were pleasantly surprising," Hrencher said. "While Mother Nature is to thank for the timely rains and heat units, a lot of credit must be given to the farmers who properly fertilized and made timely chemical applications. These are the type of yields that get other farmers interested in growing cotton in Kansas."

Rex Friesen, Ph.D., and crop consultant at Southern Kansas Cotton Growers Cooperative, said ideal weather helped make 2014 a good year for cotton in Kansas.

"These yields are the best we have ever seen," Friesen said. "We also saw the highest individual dryland yields ever, 1,711 to 1,885 pounds in large acreage fields which equates to 3.6 to 3.9 bales per acre, respectively," Friesen added. "No one thought we could beat the yields of 2013, yet several farmers harvested more than 1,500 pounds per acre this season." Friesen also said the 2014 yields and the continual survival of cotton in South-Central Kansas prove they receive the necessary rainfall and heat to grow cotton.

"It is clear to me that cotton, in the long run, is and will continue to be an excellent fit within this region's crop rotation system," Friesen said. "With the new developments in harvesting equipment and cotton varieties, the future of cotton in South-Central Kansas has never been brighter."

Employees at Mereta Coop Gin unload round bales onto the module feeder as they gin the large crop this season.

West Texas/Oklahoma

The crop in West Texas and Oklahoma was not without challenges; however, some gins in the area set ginning records. These include Eldorado and Carnegie in Oklahoma and Mereta, Cayanosa and Wellington in Texas.

Tanner Streety, PCCA Marketing Communications Area Manager, said the 2014 crop year was challenging because the drought caused the acreage estimates at the beginning of the season to be uncertain.

"Farmers had a hard enough time starting a crop with little to no rain, but the task of controlling the weeds and fighting low market prices really made things overwhelming," Streety said. "The only way to survive a year like this is to produce a large volume crop to counter the low market prices. However, with as many inputs as farmers have in their operation, and the continuous fight against the drought and weed problems, it makes it extremely difficult to get that high volume out of a crop to turn a profit."

Farmers Coop Society in Wellington will set back-to-back ginning records in 2013 and 2014. Gin manager Kim Martindale said they made upgrades before the ginning season in anticipation of the large crop; however, they have still faced some challenges this year.

"The cold and wet kept us from hauling modules out of the fields at times," Martindale said, "but luckily we never ran out of cotton on the yard and just like any other gin, there are always breakdowns to deal with."

Martindale also said that PCCA and its Module Tracking program have helped them this ginning season.

"Whatever they can do to help us, they do," Martindale said. "We have them on speed dial, and if the first person you talk to can't help you, they know who you need to talk to. Our members are in contact with PCCA at times, and it is a really good service to them and our gins."

Mereta Coop Gin completed a large gin remodel before the beginning of the season, and this has been a record breaking crop year. Paul Schwertner, Mereta Coop Gin Manager, said back-to-back rains have slowed down the ginning process some, but they are hoping for some favorable weather to be able to finish ginning this season, sometime around early-to mid-April.

"Handling this much cotton is just a long, slow and tough process," Schwertner said. "You just have to shut down and fix the things that wear out and just try to stay focused, try to keep morale up in all of



the employees, and keep everybody happy."

Everything ran smoothly at Farmers Cooperative Association of Eldorado and Martha this year. Barney Trammell, Gin Manager, said this was the first year for them to operate two gins, with two crews at the Eldorado location and one at the Martha location.

Cayanosa Coop Gin barely beat the previous ginning record this year, but it was not without challenges. Becky Chavarria, Gin Manager, said they had an electrical overload that caused them to shut down for a couple of days and the wet weather, similar to other gins, also slowed them down.

Carnegie Coop Gin Manager Jeannie Hileman said this was the first year they have had to deal with round bales, and figuring out how they affected the ginning process and timeline was challenging in the beginning. Overall, it had a positive impact on the process by increasing the ginning rate by three bales per hour.

"I have a group of guys out there that have just done a superb job as far as handling operations, and we have had very little down time," Hileman said. "Had they not kept the gin up and running as well as they did, I am sure we would not have handled as many bales as we did."

Taylor Hurst, PCCA Marketing Communications Area Manager, said even though the 2014 crop has been surprising, it is time to look forward to the future and focus on next year's crop.

"I would have to say this crop was a surprising one," Hurst said. "I think a lot of the farmers were pretty uncertain about how it was going to turn out, and for some it ended up better than they were thinking it would. For others, though, it was a pretty tough season that could be hard to recover from. Hopefully the rain and weather will be in our favor, and we can just move right on to the next one." 🍀



COLLEGE GRADUATES ENHANCE FARM OPERATIONS

BY TAYLOR WORD

Young PCCA members have been putting their college degrees to use finding ways to incorporate technology onto the farm. As multigenerational farm families send the youngest off to college, traditions begin to change as new knowledge is brought home.

As a fifth generation farmer near Post, Texas, Wes Mason is working with his family on the books for their farm operation. As a Texas Tech University (TTU) graduate with an Agricultural Economics degree, Mason said his degree has led him to one overall conclusion.

"My degree has taught me that farming is expensive, and you need to know where your money goes," Mason said. "I've discovered if you can't manage your money, you don't have anything."

With the same teamwork mentality, Cole Schwartz graduated from TTU with a degree in Plant and Soil Science and returned to the farm in Garden City, Texas, after college. He said that he was unsure of what he wanted to do until his senior year of college.

"I knew my dad was going to retire eventually, and I realized that I could learn a lot from him," Schwartz said. "It's impossible to start farming without help, and I didn't want to waste the opportunity many others don't have."

During his college career, Schwartz interned with Monsanto where he learned about seed varieties and chemicals. He said the knowledge he gained became a great benefit.

"I already knew what kind of varieties I wanted to use on our farms. With all of the companies wanting to have your business and the different varieties out there, it's easy to get them all confused, and interning with Monsanto gave me a huge advantage in that way," Schwartz said. "Without going to college, I wouldn't be able to contribute to our operations in the way I can now."

As a South Lubbock County, native, Ryan Heinrich has a degree in Plant and Environmental Soil Sciences with a minor in Agribusiness. He believes that communication skills are a vital part of farming, and his degree has enhanced his skills through being a teacher's assistant and taking leadership courses.

"Someday I want to be involved in my community, and having the ability to effectively talk to people will really help with that," Heinrich said. "My problem solving skills are a lot better now that I can communicate effectively, and I have a more broad outlook of the way things work, especially when teaching and guiding our employees. College has helped me change my thought process and resulted in making me a better farmer."

Justin Corzine is from Stamford, Texas, and is a graduate of Angelo State University with a degree in Animal Science and a minor in Agronomy and Range/Wildlife Management. He said that he always wanted to go to college and knew that it would be good for him to get as much education as possible even though he wasn't entirely sure that he wanted

to return to farming. He said working with others in the industry made him miss the lifestyle.

"I think it's important for college students to get away from what they know and see how the rest of the world operates. It provides a good opportunity to work in different places and gain different experiences while picking up different ways people farm and live," Corzine said. "College can give you the technical knowledge as well as invaluable contacts that you should try to maintain after college."

Using college as a security net for his family in Ackerly, Texas, Justin Cave, TTU graduate with a bachelor's degree in Agronomy and a master's in Crop Science, always knew he would be a farmer but wanted to have a backup in case farming did not work out. As a fourth generation farmer, Cave wants to contribute to his family operation.

"You should try to incorporate old traditions with new knowledge, but sometimes people aren't always open to change. Being able to go to college and see different operations and the way they function is a real eye opener," Cave said. "You can bring home that knowledge and mix the old traditions with new ideas and find what works best for your particular operation."

Cody Hughes is a Tarleton State University graduate with a degree in Agricultural Services and Development who currently farms in Roscoe, Texas. He said he knew that he always wanted to farm, but knowing the industry can be tough, he wanted to ensure the lifestyle for him and his family.

"I worked towards buying my first quarter section of land by myself while I was working at the USDA full time," Hughes said. "When I got it paid off, I bought another and acquired land gradually before farming full time to make sure I had a steady start. You always have to have a backup, and my degree allowed me to work while I was getting started."

Even though he has a farming background, Brandon Laffere chose to get his degree in Geology from Texas A&M University. Laffere said he wanted to see what else was out there but soon realized farming was his passion.

"My dad pushed us to try something other than agriculture. He wanted us to explore other avenues because agriculture would always be here," Laffere said. "Always learn to set some money aside when you can because in this business, the market and the weather are unpredictable."

Through the ups and downs of farming, young farmers across the Southwest are dedicated in their pursuits to make a difference in their operations.

"We're all in this together and not just my family and our operation, but PCCA and other cotton farmers as well," Heinrich said. "The market is down and the pressure is on, and we have to be a team to get through tough times."

Justin and Maddie Cave



Justin Cave, Ackerly, Texas

Flower Grove Coop Gin

Fourth Generation Farmer

Married to Maddie Cave

Texas Tech University – Bachelor of Science in Agronomy, Master of Science in Crop Science

Biggest Influence: Kevin Cave, Father

Favorite Part of Farming: All of it. One of the most fulfilling things is seeing something come from nothing. You plant it, watch it grow, and it turns into a crop you can be proud of.

Biggest Lesson Learned: Nothing is guaranteed, and farming is not cheap. I've had to be patient and to have faith that the next year will be better.

Ryan Heinrich



Ryan Heinrich, Lubbock, Texas

Texas Star Coop Gin

Fourth Generation Farmer

West Texas A&M University – Bachelor of Science in Plant and Environmental Soil Sciences, Minor in Agribusiness

Biggest Influence: Eric Heinrich, Father

Favorite Part of Farming: Harvest

Biggest Lesson Learned: Always seek out solutions to problems, and never take the easy way out.

Cole Schwartz, Garden City, Texas

Glasscock Co. Coop

Fifth Generation Farmer

Texas Tech University – Bachelor of Science in Plant and Soil Science

Biggest Influence: Jody Schwartz, Father

Favorite Part of Farming: I like being my own boss and making decisions for my own operation.

Biggest Lesson Learned: It's impossible to not be in debt when starting out, but try to learn as much as possible and you'll be okay.

Cole Schwartz



Cody Hughes, Roscoe, Texas

Central Rolling Plains Coop

Fifth Generation Farmer

Married to Amy Hughes

Tarleton State University – Bachelor of Science Agricultural Services and Development

Biggest Influence: Willis, father, and George Hughes, grandfather, and Henry Parrott, neighbor.

Favorite Part of Farming: Harvest

Biggest Lesson Learned: Some of the best plans are no plans at all.



Carley Jo, Cody, Amy and Caeleyn Hughes

Justin Corzine

Farmers Cooperative Society Gin of Stamford

Fifth Generation Farmer

Married to Amber Corzine

Angelo State University – Bachelor of Science in Animal Science, Minor in Agronomy and Range/Wildlife Management

Biggest Influence: Keith Corzine, Father

Favorite Part of Farming: The work, lifestyle, and the process of raising crops. I love that I can have time with family, too.

Biggest Lesson Learned: You really have to learn to conserve and manage your money because it does cost a lot of money to operate the farm from one year to the next.



Ariel, Jacy, Justin and Amber Corzine

Wes Mason, Post, Texas

Lubbock Cotton Growers

Fifth Generation Farmer

Married to Desta Mason

Texas Tech University – Bachelor of Science in Agricultural and Applied Economics

Biggest Influence: Ray and Charles Mason, Father and Grandfather

Favorite Part of Farming: Using technology to aid in the decision making process and record keeping.

Biggest Lesson Learned: Be wise with your money and don't spend it all in one spot.

Desta and Wes Mason



Brandon, Madison, Caroline and Katie Laffere

Brandon Laffere, Uvalde, Texas

Winter Garden Coop Gin

Fifth Generation Farmer

Married to Katie Laffere

Texas A&M University – Bachelor of Science in Geology

Biggest Influence: Charles "Bo" Laffere, Father and Leslie H. Laffere, Grandfather

Favorite Part of Farming: Managing the crops from start to finish.

Biggest Lesson Learned: It's not always about growing the best crop. It's also about where to spend money, what tools to use, and how you sell the crop. 🌱

Forecasts Call for FEWER COTTON ACRES AND LOWER PRODUCTION in 2015

BY JOHN JOHNSON

Attention is turning to the 2015 crop year, and by all accounts, U.S. farmers will plant fewer cotton acres and produce fewer bales than in 2014 due to prevailing low cotton prices. China and India also will produce less cotton this year; however, world stocks will remain burdensome and keep a lid on cotton prices, according to most analysts.

Cotton Grower magazine released the results of its survey in early January which projected U.S. planted area at 9.72 million acres, down 11.7 percent from 2014. Texas farmers will plant 5.43 million acres, down 12.4 percent, Oklahoma will plant 212,000 acres, down 7.8 percent, and Kansas farmers intend to plant 50,000 acres, up 66.7 percent. The Kansas estimate is remarkably different from the National Cotton Council (NCC) projection.

The magazine also forecast cotton acreage in the Southeast at 2.40 million, down 9.8 percent from last year. The Mid-South was pegged at 1.26 million acres, down 13.1 percent, and Far West producers are expected to plant 362,000 acres, down 13.0 percent.

NCC released the results of its 32nd Annual Planting Intentions survey on Feb. 6 during the organization's annual meeting in Memphis. The NCC questionnaire was mailed in mid-December 2014 to producers in the 17-state U.S. Cotton Belt. It asked the producers for the number of acres they devoted to cotton and other crops in 2014 and the acres they plan to plant in 2015. The survey responses were collected through mid-January.

Based on the responses, NCC said U.S. producers will plant 9.43 million acres of cotton this year, down 14.6 percent from 2014. Using an average abandonment rate of 12.8 percent would result in harvested area of 8.20 million acres, and calculating each state's average yields would result in a U.S. crop forecast of 14.0 million bales, according to NCC.

"Planted acreage is just one of the factors that will determine supplies of cotton and cottonseed," said Dr. Gary Adams, NCC's Vice President of Economics and Policy Analysis. "Ultimately, weather, insect pressures and agronomic conditions play a significant role in determining crop size," he added. Adams was promoted to NCC President during the annual meeting to replace the retiring Mark Lange.

"History has shown that U.S. farmers respond to relative prices when making planting decisions," Adams continued. "Cotton

growers are approaching the 2015 planting season with harvest-time futures contracts at the lowest level since planting of the 2009 crop. After more than five years of stronger markets, cotton prices fell sharply during the second half of 2014."

The NCC survey indicated Texas farmers will plant 5.34 million cotton acres in 2015, down 13.8 percent, and Oklahoma farmers are expected to plant 225,000 acres, down 6.2 percent. In marked contrast to Cotton Grower magazine's estimate, NCC projects Kansas cotton acreage will fall 15.0 percent to 26,000 acres. Southeast acreage was pegged at 2.39 million, down 10.6 percent, the Mid-South at 1.08 million acres, down 25.9 percent, and Far West cotton acreage is expected to fall 46.6 percent to 134,000.

Another set of projections was released on Feb. 20 at USDA's 91st Agricultural Outlook Forum in Washington, DC. Robert Johansson, the department's acting chief economist, estimated U.S. cotton area in 2015 will be 9.7 million acres, down 12.1 percent from last year. Although USDA's planting estimate was higher than NCC's, it used a slightly different abandonment rate and average yield resulting in a projected U.S. crop of 14 million bales this year, the same as NCC. U.S. mill consumption was projected at 3.75 million bales, and exports were pegged at 10.2 million.

USDA also said world consumption will exceed production for the first time in six years; however, global ending stocks will remain high. Consequently, Johansson projected cotton prices in the 2015-16 marketing year at 60.00 cents per pound.

China's cotton production is expected to decline to 28.0 million bales as farmers there respond to new government support policies. The department estimated Chinese mills will consume 37.5 million bales, and imports will fall to 7.0 million bales. India will remain the world's largest cotton producer in 2015 for the second consecutive year with a crop of 30.0 million bales, down only 500,000 from 2014.

Like USDA, the International Cotton Advisory Committee (ICAC) also expects world consumption to outpace production in the 2015-16 marketing year. The committee projected world cotton area and production each to be down 6.0 percent this coming season. Based on a moderate improvement in global economic growth of 3.5 percent as forecast by the International Monetary Fund, ICAC projected world consumption to grow by 2.0 percent. 🌱

2014 FARM BILL SAFETY NET Program

DEADLINES

BY TAYLOR WORD

With the 2014 Farm Bill in effect, producers and landowners are required to elect new safety net programs before the deadlines released by the United States Department of Agriculture (USDA). The Farm Service Agency (FSA) is making efforts to provide online resources to producers and landowners to help them understand the programs before making decisions for their operations. These programs include Agricultural Risk Coverage and Price Loss Coverage (PLC).

Agricultural Risk Coverage, Individual Coverage (ARC-IC) is a new program in the 2014 Farm Bill that offers protection against moderate losses at the farm level for covered commodities. Decisions regarding revenue loss for each covered commodity planted will be made after USDA publishes the market year average price. Agricultural Risk Coverage, County Level (ARC-CO) provides revenue loss protection at the county level. Decisions regarding revenue loss will be the same as ARC-IC. Along with ARC, producers have the option to sign up for PLC.

The PLC program provides payments when the market year average price for a covered commodity falls below the crop's reference price specified in the 2014 Farm Bill. Payments for the 2014-2018 crops are issued no later than October 1st of each crop year or when the USDA average market price is published.

All producers, including owners and operators on the farm with a share of the 2014 cropland must agree to PLC, ARC-CO or ARC-IC by March 31, 2015. Program elections will remain in effect through the 2018 crop.

Producers also must make the decision about whether or not they want the Supplemental Coverage Option (SCO). The SCO is an add-on to crop insurance that provides an area-based insurance for the underlying insurance policy's deductible and is only available to producers participating in the PLC. Another additional crop insurance product under the 2014 Farm Bill is Stacked Income Protection (STAX).

STAX is a new crop insurance product for cotton designed to work as a supplement to existing crop insurance products and it can be purchased as a stand-alone insurance policy. STAX and SCO decisions are made annually.

During the yield update base period of 2008 through 2012, farmers must certify a crop yield for each year the crop was planted. A one-time adjustment may be made to the farm's base acres called a reallocation of base acres, but the 2014

**According to the USDA,
the deadlines are as follows:**

March 31, 2015

Producers make one-time election of either ARC or PLC for the 2014-2018 crop years

Deadline to update base acres or yield history for ARC/PLC programs

Mid-April 2015 through Summer 2015

Producers sign program contracts for 2014-2015 crop years

October 2015

Payments for 2014 crop year, if needed

Farm Bill does not allow for an increase in the farm's total acres. Only covered commodities will allow for yield updates and base acres to be reallocated including wheat, oats, barley, corn, grain sorghum, rice, soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, dry peas, lentils, small chickpeas, large chickpeas, and peanuts. Upland cotton is no longer a covered commodity and all acres are now considered "generic base acres." They will be treated as that commodity's base acres if they are planted as a covered commodity for ARC and PLC. ☺

**THE PROGRAM DECISIONS MADE THIS YEAR FOR EACH FARM OPERATION WILL BE IN EFFECT FOR THE NEXT FIVE YEARS.
FOR MORE INFORMATION, PLEASE VISIT WWW.USDA.GOV/FARMBILL OR WWW.FSA.USDA.GOV/FSA.**

PCCA MEMBERS

Utilize Member Access

BY JAYCI CAVE

User-friendly, convenient and always up-to-date all describe PCCA's Member Access System, one of the software services PCCA provides to its members and gins.

In the last three years, there were 3,840 individual members who successfully signed on to the Member Access System bringing the total to 5,940 members.

The system allows members to view important information regarding their accounts with PCCA. This includes gin account information, scale ticket information if the gin subscribes to PCCA's service, invoice statements, PCCA check register and patronage statements via a secure website. The Member Access System is accessible 24 hours per day, seven days a week.

With a Member Access account, PCCA members also can sign up to receive text message alerts for class information, scale ticket information and futures prices. For futures prices, members can choose to receive alerts for cotton, corn, feeder cattle, Kansas City wheat, live cattle, soybeans and Chicago wheat.

Danny Davis
Carnegie Coop Gin



Danny Davis, PCCA member who gins at Carnegie Coop Gin in Oklahoma, said his favorite part of Member Access is the text message he receives when the market opens and closes. He also was quick to praise PCCA Vice President Joe Tubb and PCCA's Information Systems Department on how quickly they are able to fix any issues or software suggestions he has.

"It is a way of serving the members," Davis said. "I am thankful for their timeliness and understanding in handling my suggestion for an addition to a form on Member Access to help the insurance agent while calculating quality loss adjustments."

Brady Mimms, a PCCA member near Acuff, Texas, said he enjoys both the original and mobile versions of Member Access because he can check his account while he is at home or out in the field, especially during harvest season. He also said he likes to utilize the futures portion of the system to keep track of the market.

"You can go into your accounts and look at your cotton classes," Mimms said. "If you are not at the gin, you can go on there and see what cotton has been classed. When we are busy and cannot get to the gin, it shows up when the cotton is ginned. I can look at how many bales it made, what the turnout was and all of those things."

Other members use Member Access to make sure all their documents are accurate with PCCA's records. Ashley Zdansky, partner with husband Crain Zdansky at Double Z Farms in Lyford, Texas, said she uses Member Access to keep track of what cotton went to which gin because they send their cotton to multiple coop gins.

"I mainly use it to double check everything from the gins and to make sure everything has gone through the system the way it needs to," Zdansky said. "I also use it to double check to see when the checks are coming out and that sort of thing."

Gin offices can get hectic during harvest season, and members like Darren Jost from Glasscock County Coop use Member Access to try to save the gin personnel some time when looking up information.



Tony and Debbie Cox
Farmers Coop Society in Wellington

*Ryan, Brittyn, Jack, Brady, Bradyn, Jere, Rhett and Lawson Mimms
Acuff-McClung Coop Gin*



"It is easy to do, easy to set up," Jost said. "You can see exactly where all of your accounts are, and it is really user friendly. It unties the hands of the gin staff a little bit because they are really accessing stuff that is pretty easy to look up if you just do it."

Larry Black, Gin Manager at Central Rolling Plains Coop, said allowing his members to be able to see their scale tickets and grades immediately without coming into the gin is the major reason he encourages producers to utilize Member Access. He said this is just another piece of the technology that is taking over the industry.

"I think just getting the information to the farmer and having it at his fingertips where they can access it as easily as we can," Black said, "they will tend to look at things a little more that way. I only have myself and one bookkeeper here in the office. When they have that information available to them in the field, it frees them up as much as it frees us up."

If you don't live or farm close to the cotton gin, Member Access can help get all the information needed without making a trip to the gin. This is the case for Tony Cox, a PCCA member from Wellington, Texas. Cox said Member Access is very convenient because he farms a lot of land, and he is not always able to go check on the cotton that has been ginned. He likes to be up-to-date on everything that is happening with his crops.

"I like to check on how many bales were being produced on the farms as they are being ginned," Cox said, "whether I am at home or away from home. We can also print our own reports from there as far as account summaries or recaps." Clay Cowan from Ropesville, Texas, said the resources on the Member Access system help him stay informed about his crop and the cotton market.

"I like to look and see the weekly pool updates and see what they have made," Cowan said. "There also are articles on the cotton market, and it is another tool to keep informed. I also look at The Seam, especially if I have cotton that I am selling outside the pool. I can look on there and see what opportunities I have to sell my crops." To get started with Member Access, visit PCCA's website and find the Member Access page under the Sales and Services tab. Click the link at the bottom of the page to set up an account on the secure website.

To access the mobile version of Member Access, log into your account on a mobile device and save it as a bookmark or add it to your home screen for easy access in the future. 🌱

*Ashley, Riley and Crain Zdansky
Lyford Coop/Willacy Coop*



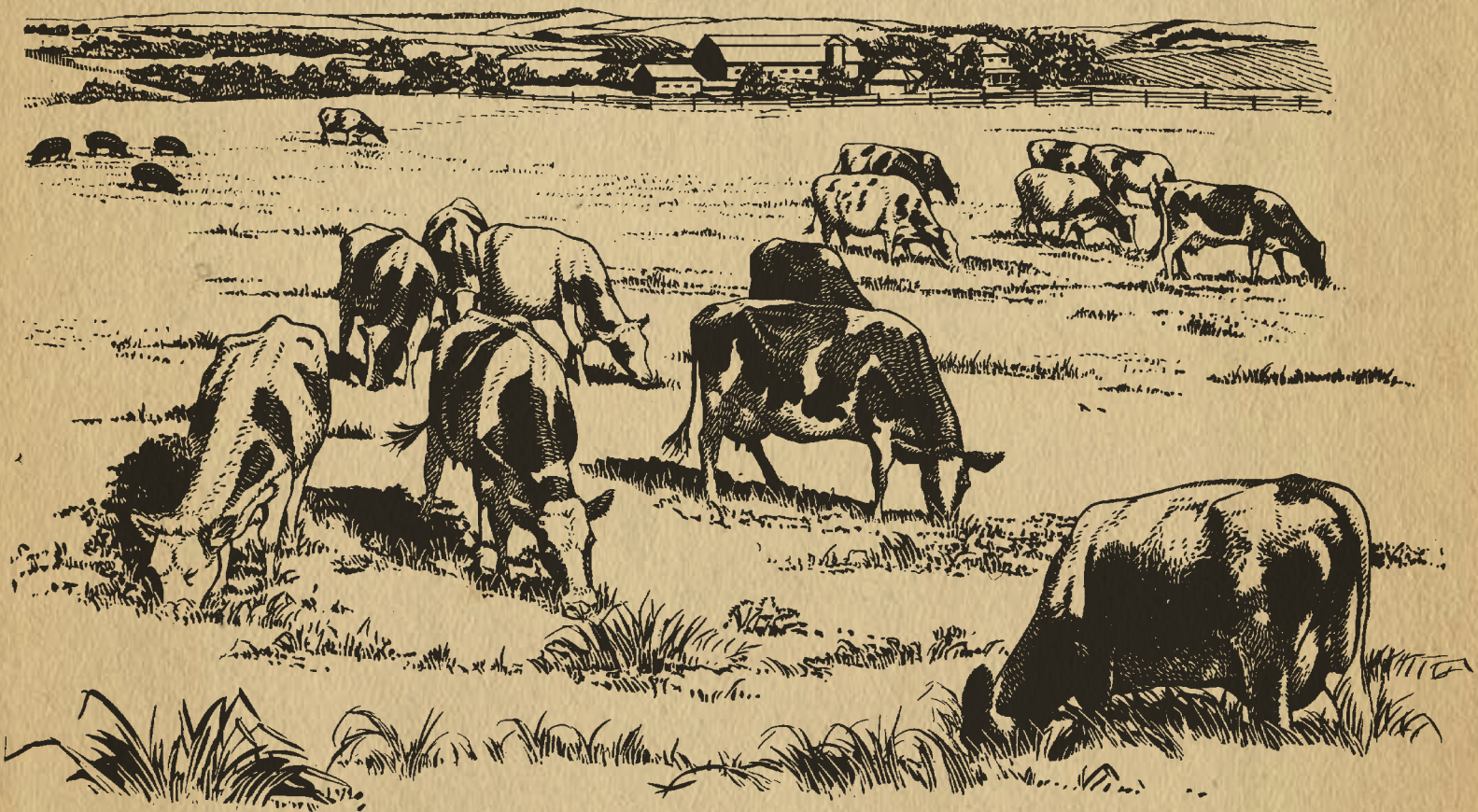
*Darren, Kimberly, Avery, Weston and Presley Jost
Glasscock County Coop*

The Golden Age of Farm News

By John Johnson

Long before the Internet was netting, before the Twittiverse was tweeting, and before Facebooking became an action word, agricultural editors and farm broadcasters were the conduits for vital news reaching farmers and ranchers. During their distinguished careers, the following four men became trusted household names throughout the Southwest and beyond, and their combined lists of awards and accolades would fill a book. They have witnessed many advances and challenges for agriculture during several decades and have a unique perspective on both the past and the present.

Editor's Note: To gain their insight and perspectives on issues they witnessed or wrote about, we asked these farm news veterans a series of questions. Their answers follow each question (Del Deterling – DD; Joe Dan Boyd – JDB; Roddy Peebles – RP; J.T. Smith – JTS)





Del Deterling, The Progressive Farmer

Deterling grew up on a diversified farm near Schulenburg, Texas, that included cotton. After serving as a state officer for Texas FFA in 1955, he enrolled at Texas A&M where he graduated in 1959 with degrees in agricultural economics and agricultural journalism.

"While I was growing up, I chopped cotton and picked cotton for a penny a pound," Deterling recalls. "That's when I decided to pursue a career other than farming," he adds with a grin. After graduating from Texas A&M, Deterling served three years in the U.S. Air Force where he became editor of the Travis Air Force Base newspaper in California.

When his enlistment ended, he became information director for the Screwworm Eradication Program in South Texas before he joined the staff of *The Progressive Farmer* magazine. At the time of his retirement on Dec. 31, 2002, Deterling was executive editor of the magazine.

"During my career, I worked closely with the management of PCCA and Plains Cooperative Oil Mill and got to know their staffs and many innovative farmers," he says. Deterling continues to write on a freelance basis and estimates he has written 1,700 feature articles. His many accolades include the Cooperative Communications Award from the National Council of Farmer Cooperatives, four Oscars in Agriculture Awards, the Master Writer Award from the American Agricultural Editors Association (AAEA), AAEA's Lifetime Achievement Award, and he received the 2001 Outstanding Alumni Award from the Texas A&M College of Agriculture and Life Sciences.

Q: WHAT WAS THE GREATEST CHALLENGE YOU SAW PRODUCERS FACE?

DD: Marketing their commodities in an oversupply situation.

JDB: The drought in the 1950s and bank foreclosures in the 1980s. Also, the public outcry over the cost of farm subsidies.

RP: Weather and marketing.

JTS: The effects of the Endangered Species Act that was passed in 1973.

Q: WHAT IS THE GREATEST CHANGE YOU WITNESSED IN THE AGRICULTURE INDUSTRY?

DD: The move to precision farming and the use of GPS and field mapping. Also the use of herbicides.

JDB: Mechanization and the use of pesticides. I grew up plowing with a team of mules.

RP: The introduction of satellite uplinks to deliver news to producers via radio stations.

JTS: The cotton module builder.

Q: WHICH FARM BILL OR CHANGE IN FARM POLICY DO YOU REMEMBER THE MOST?

DD: The grain sale to Russia. Before that, ag policy was under strict controls.

JDB: The 1996 Farm Bill.

RP: The farm bill that came to be known as "Freedom to Farm."

JTS: I think the 2014 farm bill because it contained dramatic changes.

Q: HOW CAN FARMERS COMBAT THE MANY MISCONCEPTIONS ABOUT AGRICULTURE TODAY?

DD: Be proactive and support their industry organizations.

JDB: Help get scientific information to the general public, especially about GMOs.

RP: Increase their use of social media to communicate their messages.

JTS: Use all opportunities to publicize the positive things about agriculture and be diplomatic.



J.T. Smith, Farmer-Stockman Magazine

Smith was raised on his family's farm and ranch on Mule Creek in Foard County, Texas. Cotton was the primary crop on the farm, and Smith started hand-pulling bolls at the tender age of 3. As he grew older, he moved irrigation pipe, drove a tractor, worked cattle and "pitched" watermelons. He eventually enrolled at Texas A&M and graduated with a bachelor's degree in Agricultural Journalism in 1973.

Smith became the farm and ranch editor of the Abilene Reporter-News in August 1973 where he wrote 300 columns per year and covered many agricultural events, field days, conventions, cattle sales and FFA/4-H youth activities. In 1979, he was hired as assistant editor for The Progressive Farmer magazine in Birmingham, Alabama. During the next 10 years, he would be promoted to associate editor and cotton editor, traveling 21 cotton-growing states and to Washington, DC, to cover farm policy issues. Smith returned to the Abilene Reporter-News in 1989 to rebuild the newspaper's six-day per week farm page. In 1998, he was recruited to be the editor of Texas Farmer-Stockman magazine (later named The Farmer-Stockman) where he remained until his retirement in 2013. During his career, Smith also attended many PCCA Annual Meetings.

Smith received many accolades from organizations such as the Vocational Agriculture Teachers of Texas, Texas Veterinary Medical Association, Texas Association of Soil & Water Conservation Districts, and Rolling Plains Cotton Growers. In 1980, Smith was named Man of the Year in Texas Agriculture, received an Oscar in Agriculture in 1984, received the Meritorious Service Award from the Texas Senate in 1990, and was named Farm Editor of the Year in 1993.

Joe Dan Boyd, Farm Journal

Boyd was born and raised on a small, diversified farm near Winnsboro in East Texas. One of his earliest memories on the farm was riding "the trailing edge of my great-aunt's cotton pick sack," he wrote. "She pulled her growing weight of hand-harvested fiber, and in her daycare role, had a simultaneous feel for my safety. Any sudden decrease in her burden was a clue that I had fallen from or jumped off the sack."

After serving as the first full-time state FFA president in 1952-53, Boyd enrolled at Texas A&M where he received his bachelor's degree in Agricultural Journalism in 1957. Following a brief stint as a reporter for the Fort Worth Star-Telegram where he covered West Texas as a roving farm news writer and photographer, Boyd was hired by the National FFA magazine. Soon after that, he joined the staff of Farm Journal magazine. When the publication introduced its Cotton Extra, later renamed Cotton Today, Boyd was named editor, and he "wrote or coordinated editorial campaigns on virtually every major cotton development." His list of awards include the Oscar in Agriculture, AAEE's Writer of the Year for two consecutive years, AAEE's Writer of Merit Award and received the organization's Lifetime Achievement Award in 2014.

Since his retirement from Farm Journal, he continues to be a freelance writer/photographer for the magazine and other publications, conducts writing workshops, and is working on a memoir of his FFA experience.





Roddy Peeples, VSA Radio Network

Peeples was born and raised on a cotton, cattle and grain farm in Limestone County, Texas. After graduating from Mexia High School, he attended Texas A&M and received a bachelor's degree in Agronomy in 1953. His agricultural radio career began at WTAW in College Station during his senior year at the university. Following graduation, he worked at radio stations in Oklahoma, Kansas and Missouri before being named associate farm director at KWFT in Wichita Falls, Texas, in 1959. Five years later, Peeples and his family moved to Midland, Texas, to establish the Voice of Southwest Agriculture (VSA) radio network. Initially, the network consisted of stations in Midland and San Angelo, Texas, but eventually grew to 60 stations throughout Texas. A pilot since his 16th birthday, Peeples flew his own plane from 1974 to 2002 attending farm and ranch events across the state.

Peeples was inducted into the National Association of Farm Broadcasting Hall of Fame in 2001. He also received numerous awards from soil and water conservation districts, Texas Farm Bureau, several livestock associations, the Vocational Agriculture Teachers Association of Texas, and was named Man of the Year in Texas Agriculture by the Texas Association of County Agricultural Agents in 1984. After 31 years as founder and owner of VSA, Peeples sold the network in 1995 to Clear Channel Communications of San Antonio.



Q: WHAT IS YOUR GREATEST CONCERN ABOUT THE FUTURE OF AGRICULTURE?

DD: Over-regulation based on fears about global warming and GMOs.

JDB: Farmers' declining political clout.

RP: The declining number of people directly involved in production agriculture.

JTS: Regulations. Our critics have a thimble full of scientific knowledge, a bushel full of emotion, and a truckload of money.

Q: WHY HAVE COOPERATIVES AND AGRICULTURE BEEN SUCH A NATURAL AND SUCCESSFUL FIT?

DD: Cooperatives make farmers stronger. Banding together helps them economically and enables them to hire marketing specialists.

JDB: Cooperatives provide financial advantages along with political and economic clout.

RP: It's a natural way for farmers to help themselves, whether it is pooling their resources or pool marketing.

JTS: Even the largest farmers cannot have the marketing power or bargaining power they can get by being a member of a cooperative.

Q: WHO IS THE MOST FAMOUS PERSON YOU INTERVIEWED?

DD: Former Texas Governor John Connally on his ranch in the mid-1970s. He should have been president of the United States.

JDB: I interviewed now former Governor Rick Perry when he was first elected Texas Agriculture Commissioner.

RP: There were two and both were entertainers and TV personalities: Art Linkletter and Arthur Godfrey. Both of them owned farming and ranching interests.

JTS: The actor Slim Pickens. He was the most interesting and nicest of all the entertainers and politicians I ever interviewed. 🌱



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