COMMENTATOR

PLAINS COTTON COOPERATIVE ASSOCIATION >>>>>>>>>>>> WINTER 2009-10

BUILDING A BIG GIN IS NO SMALL DECISION

ADDED BENEFITS FOR YOUNG FARMERS

TEXTILE AND APPAREL DIVISION RAMPING UP TO MEET DEMAND

COMMENTATOR

VOLUME 42, NO 3 >>>>> WINTER 2009-10

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On the cover...

From West Texas across the Plains and into the eastern part of the U.S. Cotton Belt, unseasonably cold conditions were experienced across much of the country in December 2009. Although virtually all of the cotton had been harvested in the area, temperatures dropped well below freezing throughout the High Plains with snow and ice halting all fieldwork there.
Photo by Lynette Wilson

COMMENTATOR is published three times per year as information for its farmer-members by Plains Cotton Cooperative Association (PCCA), a cotton marketing cooperative with headquarters at 3301 East 50th Street, Lubbock, Texas. Eligibility to participate in programs administered by PCCA is established by law without regard to race, color, creed, sex, religion, age, national origin or handicap.

Cotton Prices and Demand Seen Strong in 2010

By Lynette Wilson

In his address at the Beltwide Cotton Conference in January, PCCA's President and CEO Wally Darneille said good demand for cotton could persist throughout 2010. Based on both fundamental and technical factors, the strengthening of cotton prices seen at the end of 2009 should be sustainable. Darneille explained that consumers in other countries are not as in debt as most Americans because "they tend to spend less and save more." In those countries, apparel sales have not suffered as much as in the United States and Europe. In spite of the global recession, the economies have continued to grow in the world's two most populous countries, China and India. Fiber consumption also should benefit from continued income growth in Asia in the coming year.

Long term, the industry believes the growth in global cotton demand eventually will out-strip the growth in cotton supply. Cotton cannot be easily replaced since synthetic fiber production capacity takes time to build. As the "green revolution" continues, most consumers have begun to prefer natural fibers. Therefore, cotton demand in 2010 should remain stable as mills continue to produce cotton fabrics.

"The high cotton prices seen toward the end of the year likely are sustainable in 2010 if clothing retailers manage inventories well," Darneille explained. "An additional dollar per garment should make no difference in demand because adding one dollar to the price of a pair of jeans probably will not discourage a consumer from buying."

As a direct result of the global recession, many textile mills still are losing money. However, world fiber supplies now are low. Although a number of mills have indicated they cannot pay more for cotton than they did in 2009, Darneille believes they may have to do so very soon.

"They will not be able to buy cotton at last year's prices, but there still are profits to be made in the apparel segment," Darneille said. "Mills are accustomed to buying hand-to-mouth, and their cotton inventories are so low they will have to buy soon. It's generally more expensive to shut down an entire textile mill than it is to pay more for cotton."

The scarcity of cotton will remain a concern until the next crop cycle can offer supplies. While

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Building a Big Gin is No Small Decision

Lubbock Cotton Growers Builds Highest Capacity Gin in Texas

by Lynette Wilson

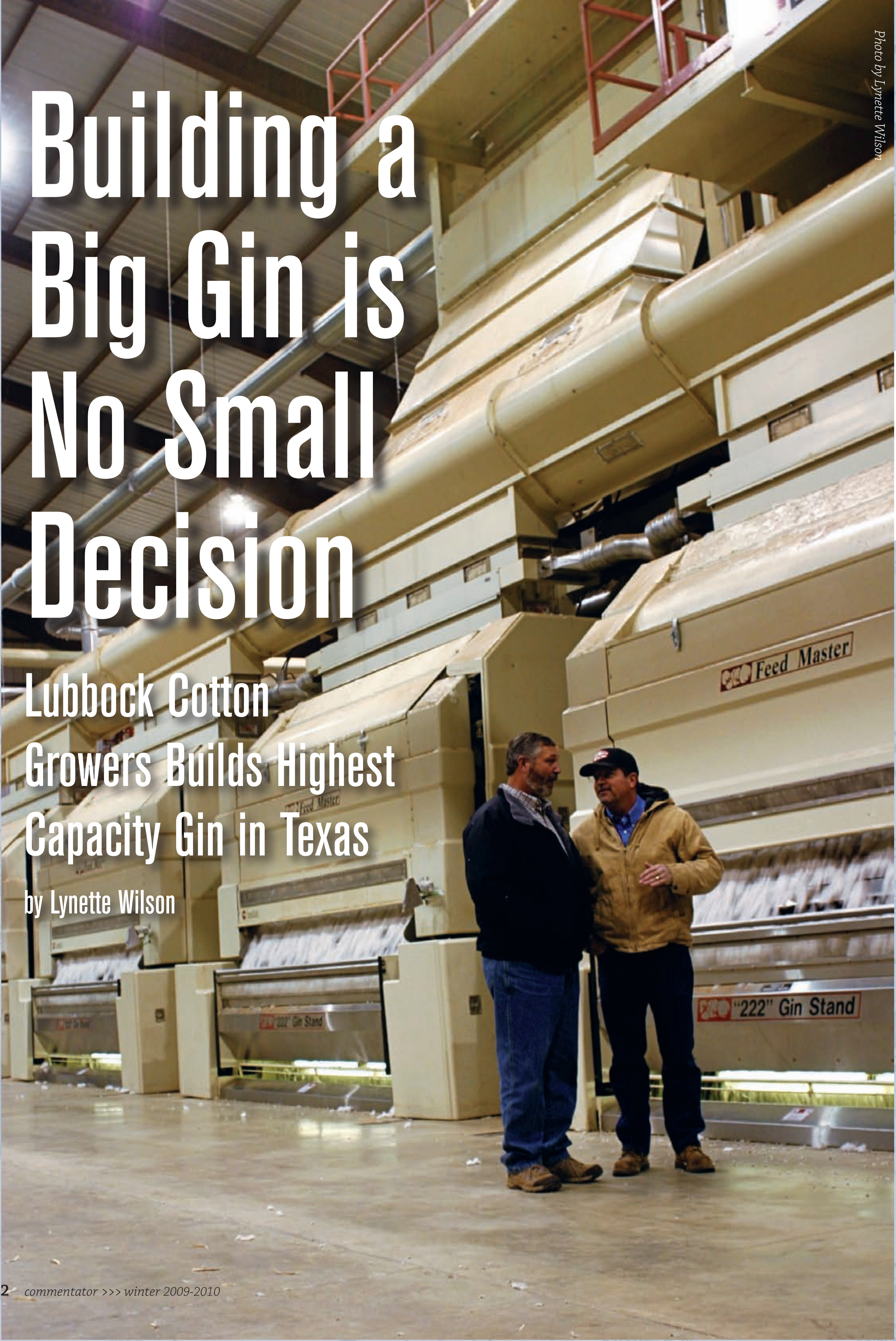

Photo by Lynette Wilson

It was big news this summer when Lubbock Cotton Growers Cooperative Gin (LCG) announced plans to build a new gin plant just south of Lubbock, Texas, but the story became even bigger when the facility was touted as the second largest gin facility in the nation.

photo courtesy of LCG

Above: LCG's new construction began in April 2009, and the facility was ready to receive cotton by late October.

Left: Jerry Butman, LCG Gin Manager, and Board President Rex Kennedy discuss the operating efficiency of the new gin plant.

As the cotton production in LCG's service area continued to increase, its board of directors knew it was time for their gin to expand. They hoped to double the plant's capacity, but choosing the best way to complete the expansion was no small task.

"In a good year, our members produce close to 100,000 bales or more," said Jerry Butman, manager of the gin. "My guys were tired of getting their cotton ginned in March and were ready to get it ginned earlier, but the equipment we had just couldn't do it."

"At the older plant, bringing in much more than 60,000 bales stretched out the season which caused farmers to have to wait to get their cotton ginned, left modules out in the weather longer, and was hard on the gin manager and his employees," Rex Kennedy , LCG's Board President explained. "Something had to be done to improve the situation, but building a new and bigger facility was not a small decision."

Several solutions for expansion were explored by the LCG Board including visits to three different states to inspect used gins for sale. After determining new construction would be the most efficient choice for the cooperative, the gin was constructed as a turn-key project by Lummus Corporation of Savannah, Ga.

"We had a meeting before we started this project, and every producer and landlord in attendance voted unanimously to move forward," Butman said.

Plans for the gin had been under way since the summer of 2008 but were put on hold until construction prices dropped to make the project

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Photo by Lynette Wilson

> "With the large plant we've built, when the good years come around, LCG is really going to shine."

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affordable, Butman said. Additional savings were negotiated by the LCG Board by "trading" the gin's used equipment to Lummus for the company to resell. Groundwork began just north of the existing LCG facility on April 15, 2009, and the new gin was fully operational by late October. The LCG facility gained notoriety as the first completely new gin plant to be constructed within a 50-mile radius of Lubbock, Texas, in 25 years.

Initially configured for an hourly capacity of 90 bales-per-hour with a daily output target of 1,500 bales per day, the plant is the largest new gin installation in the world for 2009, according to Lummus representatives, and it still has room for expansion.

While the new plant, as currently built, will be the highest capacity single-site ginning complex in the state of Texas, the LCG Board of Directors also planned for future growth. The configuration of the facility is laid out in a "6 Less 1" arrangement which means the foundation and electrical components were constructed to grow into a full six-stand plant. With additional overhead cleaning and one more gin line and lint-cleaning group to be installed at a later date, the fully equipped LCG plant could reach 120 bales per hour (more than 2,000 bales per day), making it the second largest gin in the world.

"You want to build flexibility; you want growth without a huge expenditure down the line," a Lummus spokesperson said. "By laying it out like they did, it cost LCG a little more from a foundation and electrical standpoint for equipment that is not there, but the subsequent investment now will primarily be in machinery and installation only. That's a good long-term strategy," he explained.

Additionally, the LCG facility is set up so all of the existing equipment can be split into smaller units. "Half of the pre-cleaning can be run; we can run only one press; we can run only three gin stands," Kennedy said. "We don't have to run all of the connected horsepower at one time if we don't need to. We hope that ability will be a major opportunity for cost savings."

Adverse weather conditions resulted in an average crop in 2009, but Kennedy said the demand in the area will allow the new gin to develop and retain business regardless of the crop's yield. He is extremely optimistic about the gin's future.

"Cotton still is King in West Texas, and our production will continue to increase," Kennedy said. "With the large plant we've built, when the good years come around, LCG is really going to shine."

New Era, New Logo

By Mica Graybill

1975-2009

2010

In 2009, PCCA's Textile and Apparel Division entered the global fashion industry with the addition of Denimatrix. Consequently, the American Cotton Growers 34 year-old logo received a "facelift" as the cooperative entered a new era, and the denim mills' customers began expressing more interest in American-made products.

A number of these customers inquired about featuring the ACG logo on their products. This facilitated a need for PCCA to create a new logo to better represent its company and members.

According to Bryan Gregory, PCCA's Vice President of Textile Manufacturing, ACG has used the same logo since 1975 when the denim mill in Littlefield, Texas, was established. "With customers asking to use our logo on hangtags and other various labels, it was time for ACG to have a new, updated logo," said John Johnson, PCCA's Director of Public and Legislative Affairs.

"We also needed a new logo with a look that conveys to the public that we are a sustainable, green company," Gregory said. "This logo will be 100 percent ours which will allow our customers to use our name for whatever reason we can agree on."

The new logo is indicative of companies and customers becoming more interested in products made from American-owned companies. According to Johnson, this is a positive step forward in PCCA's future.

"My hope is that this can be looked at as a sign of changing times and our quick response," Johnson said.

The colors of the new logo are green and blue. Green symbolizes PCCA members and the cotton they grow. Blue represents the denim created at ACG. Both colors signify PCCA's pledge to be environmentally friendly.

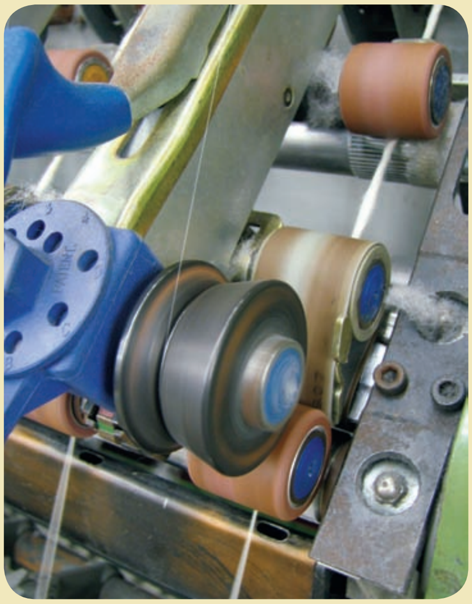
"With our company expanding, we hope this is an indication that business will be increasing, and we will have a positive economic turnaround in the near future," Johnson said.

ACG Implements New Technology Into Production

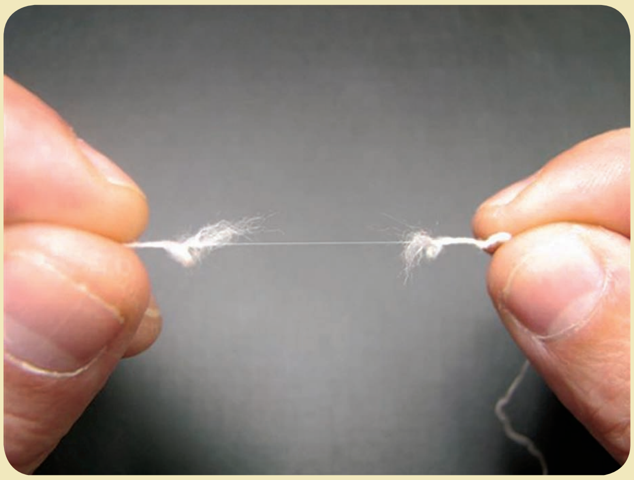
By Mica Graybill

A portion of the spinning frame.

Closer view of spinning frame showing spools of filament entering the draft zone of the spinning frame.



Close-up of the draft zone where cotton fibers are spun around the lycra filament to form a stretch yarn.



Core-spun stretch yarn with the outer layer of cotton peeled back to reveal the lycra filament core.

PCCA'S TEXTILE AND APPAREL DIVISION continues to expand its production capabilities. With the addition of Denimatrix, American Cotton Growers (ACG) also is making advancements in production at the plant in Littlefield, Texas.

ACG uses core-spun yarn in the majority of its fabrics for women's jeans. Core-spun yarn is cotton spun around a spandex or lycra filament to give it elasticity or "stretch."

For many years, ACG relied on R.L. Stowe Mills, Incorporated, for its supply of core-spun yarn. The company was a yarn manufacturer based in Belmont, NC, which spun and dyed cotton and cotton-blend yarns. After 108 years in business, the family-owned manufacturer announced it was closing its doors in March 2009. According to Bryan Gregory, PCCA's Vice President of Textile Manufacturing, R.L. Stowe was the only domestic supplier of core-spun yarn. When they closed, it forced ACG to look elsewhere for the product.

The only other source for ACG is located in Mexico, Gregory said. After weighing the options, ACG decided it would be more economical to purchase R.L. Stowe's machinery and make core-spun yarn at ACG.

"We made the decision to buy the core-spinning equipment to ensure a reliable supply," Gregory said.

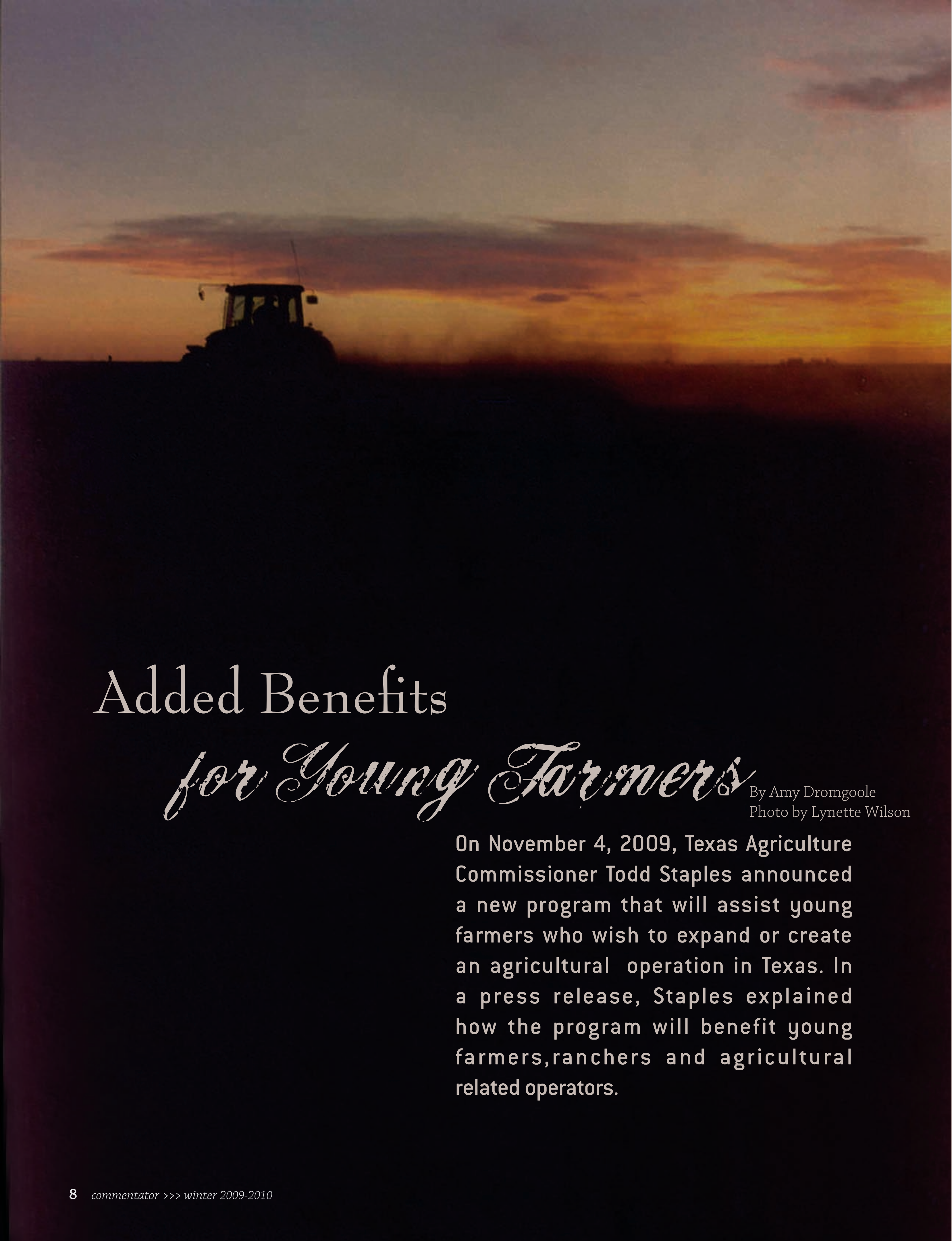
In June, ACG closed the deal with R.L. Stowe and purchased three spinning frames equipped with 3,888 spindles. ACG started receiving the equipment and installing it in June, and by July, portions of the equipment were up and running. According to Gregory, the equipment was in full use by October.

One reason it has taken a significant amount of time to begin full use of the equipment is due to the extensive training required for technicians and spinners.

"Core-spinning is a highly skilled job so we wanted to ensure that the technicians and spinners were comfortable and experienced with using the equipment," Gregory said.

Now, with all of the equipment up and running, ACG produces 60,000 pounds of core-spun yarn per week. Of all yarn produced at ACG, three percent at any given time is core-spun.

"These frames greatly improve our product, offering flexibility which makes ACG less dependent on a foreign yarn supplier," Gregory said. "It creates an increase in capability in the direction of fashion denim and provides more flexibility in today's markets."



Added Benefits *for Young Farmers*

By Amy Dromgoole
Photo by Lynette Wilson

On November 4, 2009, Texas Agriculture Commissioner Todd Staples announced a new program that will assist young farmers who wish to expand or create an agricultural operation in Texas. In a press release, Staples explained how the program will benefit young farmers,ranchers and agricultural related operators.

"Farming is a difficult and challenging business, especially for young farmers," Commissioner Staples said. "By working with the Texas Legislature, the Texas Department of Agriculture has developed more tools for Texas producers, including the new Young Farmer Grant Program, to help young farmers thrive in the second largest agricultural state in the nation."

The 81st Texas Legislature authorized the Texas Agricultural Finance Authority (TAFA) to establish the Young Farmer Grant Program.

Staples also worked with legislators during the 81st session to make significant improvements to other programs within TAFA.

TAFA provides financial assistance to creditworthy businesses and individuals through partnerships with agricultural lending institutions and banks.

According to the 2007 Census of Agriculture, only six percent of the state's farm operators are under the age of 35. These statistics raise many questions as to who will replace the current food and fiber producers when they retire.

Nancy Cordero, Texas Department of Agriculture rural economic development representative, said it is important to encourage young farmers to take over family operations because they play a critical role in supplying our nation with food and fiber.

"As the nation's leader in cattle, cotton and many other products that all Americans depend on, Texas needs to secure the future of its agriculture industry," Cordero said. "The Young Farmer Grant Program is a great step in that direction."

Also, with many ranchers and farmers being challenged with economic uncertainties, tight credit, and drought, implementation of this program arrives at a crucial time.

Four new financing tools including grants, interest rate reductions and loan guarantees will be available to assist young farmers.

The young farmer grant, an agricultural loan guarantee, an interest rate reduction, and a young farmer interest rate reduction, are available for eligible applicants.

The Young Farmer Grant, for the first time, will allow the TAFA to offer a grant program that encourages individuals who are at least 18 and younger than 46 to expand an existing or start their own agricultural business in Texas. Applicants must be able to match expenditures dollar for dollar to sustain, create or expand a proposed project. Individual grants may range from $5,000 to $10,000.

The Agricultural Loan Guarantee will allow the TAFA to provide financial assistance through loan guarantees to applicants who wish to establish or enhance their farm or ranch operation or establish an agriculture-related business. The program provides guarantees based on a tiered structure not to exceed $750,000 or 70 percent of the loan amount, whichever is less. The program also will provide an interest rebate to eligible borrowers as part of the process.

The Interest Rate Reduction program will allow TAFA to facilitate commercial lending that may result in below-market interest rates. Anyone who wishes to use the proceeds from this program in order to promote the creation and expansion of an agriculture business in Texas could be eligible for this program.

The Young Farmer Interest Rate Reduction tool will be available to those who are between 18 and 46 years of age. The proceeds must be used to help foster the creation and expansion of an agricultural business in Texas. This program will be more beneficial than the standard interest rate reduction program and will offer young farmers a greater interest rate reduction through TAFA.

The TAFA will set up two periods in each fiscal year (early winter and summer) in order to receive and approve grant applications for the entire program.

For more information about the Young Farmer Grant and other TAFA programs, visit http://www.texasagriculture.gov/.

"It is important to encourage young farmers to take over family operations because they play a critical role in supplying our nation with food and fiber."

Jimmy Nail (right) receives the Tyrus R. Timm Honor Registry.

Jimmy Nail Earns Prestigious Award

By Amy Dromgoole

Former PCCA employee Jimmy Nail was honored with the Tyrus R. Timm Honor Registry on Nov. 26 in College Station, Texas.

Dr. Tyrus R. Timm was heavily involved in Nail's thesis work in addition to his instruction.

"I feel really honored when I think about everything agricultural economics has done for me – especially Dr. Timm," Nail said. "I have a lot of respect for him, and that's why this award means so much to me."

Congressman Jerry Moran Visits American Cotton Growers

By Lynette Wilson

As part of PCCA's continuing effort to educate law-makers about crucial issues affecting its members, the cooperative invited Congressman Jerry Moran to visit American Cotton Growers (ACG) in September 2009.

Congressman Moran, representing the people of Kansas for a seventh term in the United States House of Representatives, is a senior member of the House Agriculture Committee and Ranking Member of the Subcommittee on General Farm Commodities and Risk Management. Moran currently is running for the United States Senate.

In addition to explaining the manufacturing process, other topics of conversation during the tour included: the importance of U.S. cotton, the future of American-made denim, and the legislative concerns of the cotton industry as a whole.

"As a Congressman from a farm-state, I often find myself educating my colleagues and other officials in Washington, D.C., about the critical importance of strong agriculture policy - not just domestically, but around the globe," Moran said.

Above: Bryan Gregory explains the denim manufacturing process to the Congressman.

Right: Congressman Jerry Moran.

TEXTILE AND APPAREL DIVISION

Ramping Up to Meet Demand

BY EMMA MATKIN

DMX Vice President of Administration Herbert Smith (left) discusses the hand-sanding process with ACG's Natalia Moore (center) and Chip Higgins (right).

As Chip Higgins and Herbert Smith look on, Carlos Arias (left) explains the quality re-inspection process to PCCA Board Members Billy Eggemeyer (second from left) and Steve Bauer (second from right) during a recent tour of the DMX plant in Guatemala.

Economic indicators continued to make small but steady gains in late 2009, and PCCA's Textile and Apparel Division launched two expansion projects as the year ended to meet growing demand for denim jeans.

"Retail apparel inventories declined significantly late last year; a clear indication consumers were increasing their purchases," said Denimatrix (DMX) President Carlos Arias. "Consequently, our customers began revising their purchases from us," he added.

In recent months, DMX customers repeatedly asked Arias to increase production capacity to enable them to source more products from the Western Hemisphere. Current capacity at the Guatemala City facility with its 21 cut and sew lines is 120,000 units (jeans) per week. Based on improved retail sales and DMX customers' requests, Arias presented a plan to PCCA's Board of Directors in November to lease an additional 56,520 square feet of production space.

"This additional space will allow DMX to install five new sewing lines and relocate five existing sewing lines," Arias explained. "When completed, our production capacity will be 150,000 units per week. Through Nov. 8, DMX had delivered 2.3 million units to its customers since production began in March 2009.

In October, 54 percent of the denim fabric being used to make jeans at DMX was from American Cotton Growers (ACG), but Arias reported the percentage would continue to grow. That same month, the Textile and Apparel Division was profitable for the first time in several years.

"The synergies between ACG and DMX continue to exceed expectations," said PCCA President and CEO Wally Darneille. "We still have challenges at ACG in today's market environment, but we continue to make adjustments and are seeing some improvement," he added. Reducing input costs is one way to improve the bottom line at the denim mill. In December, PCCA's Board of Directors approved a plan to increase production of ring-spun and core-spun yarns, thereby reducing the need to purchase those yarns used to make high-fashion denim fabrics.

"This project will improve our flexibility and ability to respond to the market," said Bryan Gregory, PCCA's Vice President of Textile Manufacturing. "We will install two new ring spinning frames and one core spinning frame," he added. Core-spun yarn contains spandex to make stretch denim fabrics.

"Everything should be operational by the end of March," Gregory continued. "We project a payback of our investment in this equipment in about 11 months."

Cotton Triumphs Over Harmful Pest

By Mica Graybill

Boll weevils emerge and enter cotton fields from early spring through midsummer, with peak emergence in late spring, and feed on immature cotton bolls.

The dreaded boll weevil is every cotton grower's nightmare. Over the past century, these vicious little bugs have been eating away at cotton crops in the United States, costing farmers millions of dollars in damages. However, due to the boll weevil eradication program, it seems efforts to eliminate the pest are finally paying off.

Boll weevils first made their way to the United States around 1892. The pests originated in Mexico and Central America and were first spotted in the U.S. near Brownsville, Texas. It has been estimated by the National Cotton Council that these small beetles have cost U.S. cotton producers more than $13 billion since entering from Mexico more than a century ago.

In 2009, U.S. agricultural officials confirmed efforts to exterminate boll weevils in most areas have been successful. Over the past year, the Texas Boll Weevil Eradication Foundation (TBWEF) covered more than 5.45 million cotton acres. Of those acres, 4.7 million are found in West Texas. In this area, the TBWEF caught a total of 195 weevils, down from 883 in 2008. Meanwhile, officials have declared that boll weevils have been completely eradicated in Arkansas, Missouri, Tennessee and Mississippi. Infestation still occurs in parts of Oklahoma and Texas, and officials are expecting to rid those areas of the "critters" in the near future.

According to the United States Department of Agriculture (USDA), testing for boll weevil eradication programs began in the 1970s and were implemented nationwide in 1983. In the program, there is an eradication phase to eliminate the boll weevil followed by a post-eradication phase to prevent reinfestation.

In Texas, the eradication phase of the program takes place over a four to eight-year period depending on weevil populations and environmental conditions. First, every cotton field in Texas is mapped using a GPS system. Traps then are placed in these fields to detect whether they have been infested with boll weevils. Procedures such as cultural practices that reduce the pest's food supply then take place to eliminate the boll weevils. The last step is to keep infestation to a minimum by controlling the boll weevil population using chemical treatments.

The program only applies insecticide and other treatments in infested cotton fields. Infested fields, however, normally receive an average of seven applications during the primary treatment period. Application of treatments is closely monitored to prevent unnecessary environmental exposure.

According to TBWEF's Teresa Eliason, there are 16 zones in Texas where cotton is grown. All cotton producers and crop-sharing landowners in each zone vote to approve an eradication program. In Texas, every zone participates in the program, Eliason said. Of the 16 zones, the weevil has been either suppressed or virtually eradicated in 11 zones.

"This program has been very successful in terms of getting rid of the pest," Eliason said. "There are still some parts of South and East Texas that have some infestation problems that we are working to eliminate, but the majority of the acres in Texas are weevil free."

Eradication of the boll weevil offers several financial benefits to growers. The boll weevil destroys an average of eight percent of U.S. cotton crops annually which can be extremely costly to growers and can even force them out of business. After eradication in an area has been completed successfully, growers may see as much as a 10 percent increase in cotton yield. According to USDA, after eradication, the grower's cost of production is considerably lower and the yield is often greater. It also becomes easier for growers to manage other pests by using integrated control programs. The Texas AgriLife Extension Service has estimated the increased farm-level returns attributable solely to eradication at $206 million in 2005 alone and $946 million from 1996 through 2005.

According to Eliason, producers are seeing a return on their investment. In the last five years, statewide yield per harvested acre averaged 707.6 pounds per acre, up from 524.2 pounds per acre in the prior five years. "These record-setting cotton yields provide convincing evidence that boll weevil eradication is giving Texas farmers the opportunity to compete successfully with other parts of the U.S. and the world," Eliason said.

Some may have apprehension about the boll weevil reoccurring in cotton crops after they have been eradicated, but according to Eliason, prevention measures already are in place to assure that reinfestation does not occur.

Shawn Wade, Communications Director of Plains Cotton Growers in Lubbock, Texas, said the Texas Boll Weevil Eradication Program has been a cost-effective method to seeking a permanent solution to an economically damaging pest.

"The boll weevil eradication program has proven to be very successful considering where we are today," Wade said. "The progress that has been made is something that cotton growers can be proud of."

The boll weevil trap has played an integral part in eradication. The detection device helps identify fields infested with boll weevils.

National Champions *Shine Internationally*

By Amy Dromgoole

While competing against 46 teams from all over the United States, Jordan Clem, Heath Link, Corey Smith, and Trevor White were given top honors at the National FFA Livestock Judging contest in 2008.

After winning the national championship, these New Home, Texas, students were invited to the Highland Royal Classic, an invitation-only, international contest in Edinburgh, Scotland.

"The best part of this experience was getting to travel out of the country and see another culture and a different way of doing things," White said. "Our team became stronger from competing together and sharing this experience."

They competed against other FFA, 4-H and collegiate teams from the U.S. in this prestigious contest held in June 2009.

James Tabor, New Home agriculture teacher, said there were many differences in the way Europeans and Americans judge livestock. However, the results made it clear that the adaptation was not difficult for these passionate, dedicated young men.

American teams competed only in the beef and sheep divisions of the contest. Corey Smith and Trevor White won first place in the cattle judging contest while Heath Link and Jordan Clem placed third in the sheep judging contest.

Corey Smith

Tabor said he believed these divisions were what the boys had shown the most strength in the year prior to the contest. During their two week trip, the boys also visited London, Paris, Belgium and Germany before returning home.

"It was our last contest to ever judge together," Smith said. "Overall, it was a great way to finish."

White is now an animal science major at Texas Tech University and a member of the 2010 meat judging team. He also will be on the 2011 livestock judging team and continue his passion for judging.

Clem will be attending Texas Tech in the Fall as an animal science major. He plans to judge on the livestock team as well.

Smith is now an animal science major at Clarendon College and a member of the livestock judging team. He said he plans to attend either West Texas A&M or Texas Tech University upon completion of junior college.

Link is a high school senior at New Home High School and continues to be active in FFA.

Trevor White

New Home FFA Livestock Judging Team members (L-R) Heath Link, Jordan Clem, Trevor White and Corey Smith.

Photo by Lynette Wilson

continued from page 1...

Cotton cannot be easily replaced since synthetic fiber production capacity takes time to build, and as the "green revolution" continues, most consumers have begun to prefer natural fibers.

the Southern Hemisphere's cotton crop is important, it is not large enough to relieve the prevailing shortfall. As the planting period of the Northern Hemisphere approaches, the relative value of cotton versus the crops it competes with for acreage will have to be assessed. The first official indicator for U.S. production will be the government's planting intentions report set for release at the end of March.

Regardless of U.S. planted acreage in 2010, the average cotton yield is likely to be higher than it was in 2009. The excessively wet weather across most of the Cotton Belt during harvest time in 2009 was damaging to the cotton crop in many areas and lowered yields considerably. Forecasters attributed the year's unusually wet conditions to an El Niño weather pattern which history shows should not continue for a second consecutive year. Market observers also say the extreme cold conditions across the country in the winter of 2009-10 should "put a large dent" in insect pressure in the season ahead. Not only would reduced insect pressure lower the cost of production in 2010, it also would incrementally add to yield potential as well.

Lower U.S. and world carryover stocks also should support higher cotton prices. The smaller 2009 U.S. cotton crop, coupled with crop setbacks in China, India, and Pakistan, have left a shortage of fiber.

"We would need an additional 10 million bales just to get back to the global production levels of 2006 and 2007," the PCCA CEO said. "We're not likely to see that increase in 2010, and therefore not likely to see cotton prices tank."

The 2009 crop has been as hard to pin down as any in recent memory, and it appears that this will most likely be what is most remembered about this growing season once the dust has settled and ginning is finally completed. As the 2009-10 harvest came to a close, the cotton market excitedly awaited the release of USDA's January supply/demand report, but was disappointed by the lack of interesting data. In fact, analysts said the biggest surprise was the lack of surprise in the department's figures.

USDA only marginally refigured its outlook for the cotton market, notably by lowering its 2009-10 U.S. cotton production figure and tightening the estimate for available domestic and world supplies.

USDA's 2009-10 U.S. cotton estimate included slight decreases in U.S. production and ending stocks compared with last month. Production was lowered by 191,000 bales as reductions in the Southeast, Delta, and Southwest states were partially offset by increases in the Far West.

In the report, the department's 2009-10 Kansas cotton production estimate was raised 3,000 bales to total 51,000 bales. Oklahoma producers now are expected to produce 330,000 bales, a 10,000 bale reduction from USDA's December report, while the January estimate of 4.9 million bales in Texas was a 100,000 bale decrease from last month's data.

Additionally, domestic mill use and U.S. exports were unchanged while the ending stocks forecast was reduced to 4.3 million bales or 30 percent of total use.

World 2009-10 cotton estimates were virtually unchanged from last month. Increases in production for China and Brazil were offset by decreases for India, the United States, Australia, and others. World consumption was lowered marginally due to reductions for Japan and Russia. Minor adjustments were made to world trade. The world ending stocks forecast of 51.7 million bales reflected a 15- percent decrease from the beginning level.

Texas always seems to be the exception to the rule. A state true to cotton, analysts expect an increase of at least one million acres in 2010 regardless of competing crops.

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Cotton Pickings

NEW DELEGATE BODY REPRESENTATIVES AS OF DECEMBER 16, 2009

Anacleto Casas, Jr.	Knott
Cade Furrow	O'Donnell
Steve Whitaker	Olton
Alan Monroe	United Farm Industries