



PCCA COMMENTATOR

PLAINS COTTON COOPERATIVE ASSOCIATION | SPRING 2016

BEARISH FACTORS DOMINATE COTTON MARKET

SERVING TO SHARE HIS STORY

Dahlen Hancock's Year as President of CCI

A FAMILY LEGACY:

Newton Family Continues Tradition of Ginning

COOPS COME TOGETHER

To Host Producer Orientation

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Planting season is right around the corner.

Photo by Jayci Cave.

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Kevin Brinkley

Letter *from the* President

Much of the communication, from PCCA to its members is sent over my signature. From time-to-time, a member will see my name and call me directly for help. I'm always glad to speak with a producer and learn more about them and their business. Talking

with our members and cooperative gins has confirmed for me that service is still a core value of your cooperative.

Providing the highest possible level of service to our members and gins is the reason we recently created our Member Services Division. As we look to make your cooperative more efficient, it seemed logical to form a single team that meets the needs of our stakeholders. Therefore, the Gin Bookkeeping, Grower Services and Marketing Communications departments comprise the Member Services Division.

There are three objectives of this change.

First, PCCA can now strive to provide a "one-stop" solution for most member or gin related questions. Combining these three departments together will enhance their communication with each other and improve our responsiveness.

Second, this division is elevated to the senior management level of the company. We chose Charley Triplett to be the new Vice President of Member Services. Charley is able to provide dedicated, senior-level leadership that our members need. To find out more about Charley and other details about the Member Services Division, please see the accompanying sidebar.

Finally, it will enhance the value of our members' cotton. The more efficiently we can move our members' cotton from field-to-market, the more value it will generate for them.

In practical terms, Member Services will still perform all of the services we are known for—Gin Accounting, Cotton Services and Member Communications. We have a talented team of professionals that are striving to provide the highest possible level of service.

The economics of farming have rarely been more difficult than now. It's our hope that we can find other ways to become more efficient to enhance returns to our members.

Sincerely yours,

Kevin Brinkley

Member Services Staff

PCCA Vice President of Member Services Charley Triplett has served in several capacities at the cooperative since 1992 and managed the Grower Services Department from 1995 until 2010 when he became Director of Marketing Communications. Triplett joined the PCCA staff after graduating from Texas Tech University with a bachelor's degree in agricultural economics.

"Charley Triplett's experience with members and gins has uniquely prepared him to lead the Member Services Division," said PCCA President and CEO Kevin Brinkley. "He has a deep knowledge of the operations of each department and unparalleled understanding of member and gin needs. He is the right person for the job." Following his promotion, Triplett announced additional staff changes in the new division.

Allen Hoelscher, a PCCA employee for the past 18 years, has assumed responsibility of the Member Communications Department.

"Allen has experience in all three areas encompassed by the Member Services Division," Triplett said. "He will coordinate all of our field communications and daily interactions with our members and gins. We also will rely on his extensive knowledge of our software systems to aid in this transition." Steven White, an 11 year employee at PCCA, will lead the Grower Services and Gin Accounting (formerly Gin Bookkeeping) Departments and will be directly involved with the daily operations of Grower Services. Corey Smyth, a PCCA employee for three years, will assume the daily operations and management of Gin Accounting.

"I am excited about these promotions and the opportunity to work with all of the staff of the Member Services Division," Triplett said. 🌱



Charley Triplett

BEARISH FACTORS DOMINATE COTTON MARKET

Another Challenging Year May be Ahead

A number of factors continued to weigh on the cotton market in the first three months of 2016 including negative macroeconomic developments and falling crude oil prices. A look at cotton futures prices paints a clear picture.

The May contract at the Intercontinental Exchange (ICE) settled at 62.06 cents per pound on Jan. 8, and December cotton settled at 62.95 cents. On March 16, May cotton settled at 58.19 cents, and December settled at 57.94.

Global financial markets have been in disarray during much of 2016, influenced by China's cooling economy which grew at its weakest pace in 25 years during 2015. Growth for the world's second largest economy hit 6.9 percent following an outflow of capital, a devaluation of China's currency, and a stock market crash last summer, according to one report. The developments prompted the International Monetary Fund to predict the country's economic growth at only 6.3 percent for this year, but some outside observers believe growth will be much lower.

Another concern is China's trade performance which was much worse in February than economists had expected. Exports fell 25.4 percent from a year earlier, twice as much as had been feared and the largest decline since May 2009. Perhaps in an effort to ease concerns, some economists noted the long Lunar New Year holiday that fell in early February this year. Also in an effort to reassure global markets, China's Premiere held a news conference on March 16 and said "the country will not see a hard landing as long as reforms continue, although downward pressure on the economy persists this year, and China is set to achieve its annual economic growth targets."

By John Johnson

DOW-JONES, CRUDE OIL & ICE COTTON



The stock market, oil prices and cotton futures have tracked very closely for several months.

The fall in crude oil prices has had an obvious impact on investments, and it has made polyester prices even cheaper. Polyester prices fell from 52 cents per pound in August 2015 to 43 cents in January 2016, helping the man-made fiber to cut into cotton's market share, especially in China where polyester has been the preferred fiber in recent seasons.

Despite the low prices for polyester, the U.S. Department of Agriculture predicts China's cotton consumption will increase by 1 million bales in 2016-17 to 33 million bales; however, some analysts believe the country will import only 4.75 million bales in the coming season compared to 5.5 million in 2015 due to a limited import quota and the massive stockpile.

Another bearish factor has been anticipation of an announcement from China regarding its cotton reserve sales policy. Although not official, the policy was discussed at a meeting of the China Cotton Association on March 17.

According to reports from the meeting, the sales will commence in mid- to late-April, and the volume could total approximately 9 million bales. The first cotton to be auctioned will be imported

stocks, and sales will continue until the 2016 harvest begins. The floor price will be based on international prices.

USDA provided some positive news when it released its monthly supply and demand reports on March 9. The department reduced its estimate for India's 2015-16 crop by 1 million bales to 26.8 million and cut Pakistan's estimate by 200,000 bales to 7 million, but it had little impact on the market. USDA made no changes to its estimates for China and the United States. The estimate for U.S. exports remained at 9.5 million bales which some observers question due to the current pace of sales and shipments.

Meanwhile, the market has started turning its attention to the 2016-17 season. The National Cotton Council released the results of its survey of farmers' planting intentions in early February. It showed cotton farmers intend to plant 9.1 million acres this spring, up 6.2 percent from 2015, resulting in a crop of 14 million bales. Texas acreage was pegged at 5.066 million, up 5.6 percent from last year. Oklahoma farmers intend to plant 246,000 acres, up 14.4 percent, and Kansas acreage was set at 24,000, up 47.3 percent.

The opposite is expected in China where the China Cotton Association predicts a decline of 11.6 percent in planted area this year. The association said the reduction is the result of unsatisfactory prices and rising input costs. Despite the smattering of positive news, many uncertainties remain, and most economists and analysts believe 2016 will be another challenging year for U.S. cotton farmers.

While financial markets seemed to stabilize somewhat in early March, concerns remain regarding China's economy. Likewise, no one seems to know where crude oil prices are going. So, until more definitive information is available regarding 2016-17 cotton production and consumption, traders and analysts surely will be keeping an eye on two factors in the coming months.

The first is speculators' net short position in the cotton futures market which was still growing in mid-March and keeping prices low. Another factor is the amount of cotton remaining in the CCC loan which stood at 4.5 million bales in early March. Sooner or later, the cotton will be redeemed to avoid carrying charges and will be another burden on a depressed market. ☘

CERTIFICATE EXCHANGE PROGRAM IMPLEMENTED

BY JOHN JOHNSON

The Commodity Certificate Exchange program authorized by the Consolidated Appropriations Act of 2016 was implemented by USDA's Farm Service Agency in early March, providing relief to farmers facing payment limitation issues related to their marketing loan benefits. The act was signed into law on December 18, 2015.

The program, beginning with the 2015 crop, allows cotton producers with outstanding marketing assistance loans (MALs) to redeem the MALs using commodity certificates under the same terms and conditions that were in effect for the 2008 crop year which were removed in the Agricultural Act of 2014 (the Farm Bill). The net effect for farmers is loans redeemed that generate a marketing loan gain (MLG) will not count against the \$125,000 combined payment limitation for ARC, PLC and marketing loan benefits.

Prior to reinstatement of the program, PCCA staff spent countless hours monitoring payment limits on behalf of its members. It also made marketing of the coop's pool cotton more difficult.

"We had to design an entire online system that was current up to the minute to allow us to know if members were about to exceed their payment limit," said Greg Bell, PCCA's Vice President of Administration and Human Resources. "The implementation of commodity certificate exchanges allows us to monitor payment limits on LDPs only."

MLGs are created when the loan redemption rate is below the outstanding loan amount at the time the loan is repaid. The redemption rate is calculated by subtracting the adjusted world price (AWP) from the base loan rate for the cotton placed in the loan. For the entire 2015-16 marketing year that began on July 1, the AWP has been below the base loan rate of 52 cents per pound. Consequently, some farmers sooner or later would be facing payment limit issues when their cotton is redeemed. Also, redeeming the cotton with the commodity certificates enables farmers to avoid adjusted gross income (AGI) and actively engaged issues.

However, the program does not apply to loan deficiency payments (LDPs) which will continue to be subject to payment limits and AGI provisions. In lieu of an LDP, farmers can avoid these constraints by using what is commonly referred to as a "turn-around loan." Under this scenario, the cotton goes into and out of the loan on the same day, and PCCA announced on March 7th it had authorized turn-around loans for the 2015 crop.

"Producers who have reached their payment limit, or are "Benefit Ineligible" for an LDP due to AGI or

Actively Engaged flags can utilize the turn-around loan process in order to receive the MLG, which is equivalent to an LDP payment," said Steven White, PCCA's Director of Grower Services & Gin Accounting, in a letter to coop gin managers and clerks on March 7th. "After we put the cotton in the loan, we take the loan check and immediately repay the loan at the AWP, resulting in a net check to the producer," White explained. Only the loan service fee and the Cotton Board fee totaling approximately \$3.14 per bale are deducted from the MLG.

"PCCA will only perform a turn-around loan on cotton that has traded over The Seam," White said. "The resulting check will be issued jointly payable to the producer and any lien holders on his account. Additionally, the gin will not be able to withhold gin collections on the turn-around loan. Gin collections will be handled on The Seam invoice, as usual." Turn-around loans can be requested prior to 2:00 p.m. each day, excluding Saturday and Sunday.

Reinstatement of the Commodity Certificate Exchange program will help mitigate the effects of low cotton prices and high production costs by enabling farmers to maximize their ARC and PLC benefits on eligible crops. 🌱

SERVING to Share His Story

Dahlen Hancock's Year as President of CCI

STORY AND PHOTOS BY JAYCI CAVE



Dahlen Hancock with his granddaughter, Cora.

Everyone has a unique story to tell, especially in the agriculture industry. For Dahlen Hancock, his story encompasses farming traditions and innovations as well as family values. This past year, Hancock served as President of Cotton Council International (CCI) and had the opportunity to share his story, and those of American cotton farmers, all around the globe.

Hancock has been farming for 36 years and is a fourth generation farmer from New Home, Texas. He farms in Lynn, Lubbock and Hockley counties and grows a mix of cotton, corn and milo. He graduated from New Home High School and attended Tarleton State University for two years before returning to the farm in 1980. He worked beside his father in a partnership and farmed 320 acres of his own until 1985 when 640 acres came up for rent and he branched off on his own. He married his wife, Jody, in 1986 and they have two sons who farm, Matt Hancock and Zach Walker. Hancock and Jody formed DK&J farms in 1990, and today their operation covers 5,860 acres with about 2,880 acres being center pivot irrigated and 2,980 acres non-irrigated row crop production. Hancock said he first got involved with the cotton industry because he wanted to help make a difference.

"I started by getting involved in the industry and just trying to make a difference and do my part to try to help," Hancock said. "We all have different talents, and it takes all of us working together. I did not just want to exist out here farming, I wanted to invest some of my time getting involved and learning about the issues within the industry and trying to make a difference."

Hancock served as the 2015 President of Cotton Council International and is the current Vice Chairman for Cotton Incorporated. He also serves as a director of New Home Coop Gin after serving as chairman for 12 years. He is a member of Plains Cotton Cooperative Association's Delegate Body and Marketing Pool Committee. Hancock also has served as a delegate to the National Cotton Council of America and participated in the Policy Education Program. He is serving as the current Chairman of CCI.

Cotton Council International is the export promotion arm of the National Cotton Council of America (NCC). NCC is the trade association that represents all seven segments of the U.S. cotton

"Past generations have had tough times and endured. I am not sure how, but if we all pull together we can persevere through the tough times we are facing now. Some how, some way."

- Dahlen Hancock

industry: producers, merchants, cottonseed handlers, manufacturers, ginner, warehouses, and cooperatives. As the promoter of U.S. cotton in foreign markets, CCI plays the lead role in educating and strengthening the market for U.S. grown cotton and cotton products around the world.

In his role as president, Dahlen had the opportunity to represent CCI wherever he went. He and the rest of the board successfully hired Bruce Atherly, the new executive director for the organization. He attended various events and meetings around the world and got to tell the story of U.S. cotton. One of the major trips he went on this past year was to the Cotton Days events in South Korea, Japan, Taiwan and Thailand.

"One thing I remember that was really neat from the trip was their consumers' irresistible energy and enthusiasm for Cotton USA, the brand for CCI," Hancock said. "They were all that way, everywhere we went. I would have liked to have brought back the enthusiasm and been able to show producers and friends here that what we are doing really makes a difference."

On these trips, Hancock said he also was able to meet with mill owners and industry leaders in those countries and find out what U.S. cotton producers are doing right and what areas need improvement. He said they would bring this information back to the council to see if anything could be improved.

"What I have enjoyed the most is when I get the chance to talk with mill owners and their agents," Hancock said. "They are buying hundreds of thousands of bales of our cotton, and I really got to engage them and visit with them, thanking them for their business. I think they know and feel we really want to do a good job for them. We want to make sure we are producing high quality superior cotton for them. We want to make sure that when our cotton gets there it is what they thought it was going to be."

He also was able to express the problems and challenges U.S. cotton producers are facing today and tried to drive home the point that the cost of production is above what producers are receiving for their cotton. He also conveyed to them how these low prices will impact planting decisions in the spring of 2016.

Throughout his involvement in the various organizations, Hancock has been able to travel to 12 different countries. These include Dubai, Turkey, Mexico, Guatemala, Honduras, Peru, South Korea, Japan, Taiwan, Thailand, China, and

Carlos Garcia Elected to Serve CCI

Carlos Garcia, PCCA's Export Sales Manager, was elected to serve as a director of Cotton Council International (CCI). Garcia has been involved with CCI since he began working at PCCA.

"Since CCI is the global marketing arm of the U.S. cotton industry, I have been involved with CCI indirectly since I started working in the export department at PCCA in 2000," Garcia said. "I attended my first biennial Sourcing USA Summit in 2002 where CCI brought together over 400 buyers of U.S. cotton from all over the world to Scottsdale, Arizona." Garcia also has been involved when CCI brings trade groups to Lubbock.

"Every year, CCI brings two groups of customers to Lubbock through its Orientation Tour and Special Trade Missions," Garcia said. "CCI also sponsors an Executive Delegation as well as other educational and promotional programs overseas that I have had the privilege of participating in throughout the years."

In his new role with CCI, Garcia and the other 21 directors will help guide and support the affairs and promotional efforts of CCI. In addition to this, Garcia will serve on the Export Promotions Committee.

"This committee tries to predict cotton consumption, production and import trends for the next 10 years," Garcia said. "We pinpoint the markets that will be big importers of cotton, and more specifically U.S. cotton. By recognizing these markets and their current and future potential, it allows us to identify where we should focus out industry-wide promotion efforts."

Garcia said he is looking forward to continuing to work with the members and staff of CCI. He said it is important that PCCA is involved with CCI because it ensures the unique issues our members face will be represented when decisions are made.

"I will continue to tell cotton's story, especially from the point of view of our members," Garcia said. "Hopefully we can regain some of the market share market share cotton has lost to man-made fibers and continue to try to add value to our member's cotton."

continued on page 8...



Dahlen Hancock is pictured with his family. From left to right: Matt, Zach Walker, Kacy, Jody and Cora.

...continued from page 7

Germany. Hancock said he would not have been able to serve like he has without the support of his family.

"One thing is for sure, there is no way I could serve and do what I do without the support of my wife, Jody," Hancock said. "She has been very supportive and does not mind me being gone serving the industry. My son, Matt, along with our foreman Abel Escobedo and several of his family members, also help keep an eye on things when I am away. I also have really good quality people working for me that have been with me a long time."

Hancock said his farm operation truly is a family affair. Both of his sons have chosen to carry on the family tradition and farm. His sister is a Correspondent Banker with City Bank in Lubbock, Texas, and takes care of the books for his farming operation. His father still helps and offers his input on the operation. Hancock said he enjoys getting to work closely with his sons and feels very blessed that most of his family lives in the Lubbock area.

"The main thing I enjoy is just getting to be around each other and spend time together," Hancock said. "I get to watch them farm and be where I was years ago. My greatest blessing though would have to be watching and getting to see my granddaughter, Cora, being raised on the farm. A neat aspect is my kids get to experience what I did in life growing up." Hancock said his major concern would be the current challenges our industry is facing at the moment.

"Past generations have had tough times and endured," Hancock said. "I am not sure how, but if we all pull together we can persevere through the tough times we are facing now. Some way, some how." Hancock said he has worked hard to take care of the land for the next generation, just like his father and grandfather did for him.

"We need to be good stewards of the land, and our most important reason for being good stewards and taking care of the soil is not only our kids, but for our grandchildren and future generations." Hancock said it is going to take everybody working together to make a difference. "This includes individuals, the grassroots organizations like Plains Cotton Growers and Southwest Council of Agribusiness, and others all the way up the line to Washington."

"We can all make a difference if we try and just step into the arena," Hancock said. "It could be as easy as telling Steve Verett at Plains Cotton Growers, Inc., you are willing to serve, just like I did many years ago. He will plug you in somewhere and you never know where it is going to lead you. I would have never dreamed that I would have been able to serve the industry like I have. I hope that I have left some footprints along the way that have made a difference. That's all we can do." 🌱

PCCA COTTON & CURRENCY

COTTON PRODUCERS TAKE PRIDE IN KNOWING THEIR CROP IS USED TO MAKE MANY PRODUCTS PEOPLE USE EVERY DAY. PCCA members can take pride in knowing their cotton is used to make United States currency. That's right, the bills in your wallet were made with PCCA cotton.

Chris Ford, PCCA's Domestic Sales Manager, said PCCA has been supplying this cotton since 2007.

"They were buying notes from Turkey, but they wanted to start buying U.S. cotton or notes," Ford said. "There are not enough notes in the U.S. so they started buying graded cotton. We went through several tests for six or eight months before they figured out how to make it work and the pricing. Then we started supplying them with the cotton."

Ford said Crane and Company looked to PCCA for this cotton because they wanted to help U.S. cotton producers.

"They liked the idea of buying cotton from cooperatives because the money goes back to the producers," Ford said. "That's what they wanted to do, help the U.S. and that is why they came to us, one because we are a large supplier of U.S. cotton, and two, because we are farmer owned."

Crane and Company, has supplied the U.S. Treasury with the currency paper since 1879. According to their website, U.S. currency is made with the most durable banknote paper in the world. Crane and Company also has worked over the years to improve technology with the durability, printability, aesthetics and anticounterfeiting features of banknote paper. They make the paper and then ship it to a government printing press for the bills to be printed. There is approximately \$1.38 trillion worth of Federal Reserve notes currently in circulation, according to the agency.

Normal paper consumers use every day is made of wood pulp while U.S. currency paper is made of 75 percent cotton and 25 percent linen, according to the Bureau of Engraving and Printing. The paper has security measures already built into it. For the five-dollar bill and above, this includes a security thread and watermark. A 6mm wide 3-D security ribbon is woven into the paper for the one hundred dollar bills.

PCCA members are unique because their cotton is touched by anyone who handles U.S. currency. It certainly is something to be proud of. 🌱

BY JAYCI CAVE

A Family Legacy:

Newton Family Continues Tradition of Ginning

When Jim Newton moved from East Texas to Crosby County, he had no idea what kind of legacy he was creating. Four generations later, Jim's grandson Steve Newton and his great-grandson Tony Newton are carrying on the family tradition of working in the ginning industry.

In 1929, Jim moved to West Texas and began working as a gin manager at Wake, and then moved on to Crosbyton, Nickel's Gin, and Wellman, before eventually buying and managing his own gin. Jim was involved in the ginning business from 1929 until 1951, and then in 1958, Jim's son, Robert "Bob" Newton, began working as the gin manager at Enochs Coop until 1992. Bob's brother, Jay, was also in the gin business.

Bob's son, Steve Newton, began working in 1984 at Citizen's Coop Gin west of Shallowater, now known as Citizen's Shallowater, where he worked until 1990 when he came to Owen's Coop Gin and has been there ever since. Steve graduated from Texas Tech in 1977 with a degree in agricultural economics and decided he wanted to go into the ginning business because it was what he grew up around and always enjoyed.

Almost 100 years after Jim moved to West Texas, Steve's son, Tony, has followed in the footsteps of his great-grandfather, grandfather and father as the manager at Slaton Coop Gin. Tony graduated from Texas A&M with a degree in agriculture systems management and went to work for an agricultural chemical company before deciding to work in the ginning industry.

Throughout all the years, Steve said one word of advice that has been passed down through the Newton family over the generations is to always work hard.

"My dad always told me hard work never hurts anybody," Steve said. "Work hard, and you will be rewarded."

Another key piece of advice passed down through the family was the importance of good relationships with the producers, Steve said.

"The farmers are the best part of the business," Steve said. "You cannot find any better people. That is why it is important to never forget who we work for and why we are here."

Tony said the biggest piece of advice he remembers receiving from his father when he came into the business is to always offer the best service he possibly can.

"Anybody can gin cotton," Tony said, "so the only thing you have to offer to distinguish yourself from the rest is providing great service."

Steve said his favorite part about being a family involved in the industry is how it brings the family together and always gives them something to talk about.

"It is our common ground," Steve said. "We all go through the same struggles and same rewards, and it lets us share the experience together."

Steve's wife of 40 years, Rhea Lyn, is involved in the ginning business as well. She started working with Steve in 1992 by running the scales at the gin, and today she sells and markets cotton at their office in Ralls, Texas. Steve said while their kids were growing up, Rhea Lyn would often go back and forth between work and pep rallies or other events for their kids.

"It takes an understanding from family in this business," Steve said. "We miss a few ball games, and maybe a stock show here and there, but we make sacrifices and our family understands. They've supported me through it."

Tony said he feels being a part of a family in the ginning business has given him an advantage over someone who may not have grown up around it. However, he said young people are becoming more familiar through internships and programs that different organizations offer in the industry.

Tony said he is introducing young people to the industry starting with his own children since they live in the house across the street from the gin.

"People ask why we want to live there so close to the gin, and I tell them it keeps the kids close when work gets busy," Tony said. "Also, the kids learn about the industry, learn how to relate with people from interactions with farmers, and learn the business aspect of it all."



Tony and Steve Newton

Steve said he thought it was important to raise his kids around the ginning industry because he felt it was a good environment to teach his children about work and responsibility.

"It teaches them a lot about responsibility," Steve said, "and if there is a job worth doing, it needs to be done right."

For Steve and Tony themselves, they said growing up around the industry provided them with many fond memories. Steve said his favorite memory is working long nights with his father in the gin yard one Christmas, and Tony said his favorite memories were learning to drive module trucks and starting to work in the gin when he got old enough and learning more about what all went into the process of ginning.

Throughout all of their years in the ginning business, the Newtons have seen many technological changes, specifically in computer controls and bale accounting systems, Steve said.

"When I first started, 20 bales an hour was good," Steve said. "Now, 60 to 80 bales an hour is good. It's gotten bigger and faster, and the speed of computerization has been a huge change."

Another change Steve has seen was when TELCOT, an electronic marketing system, was developed by PCCA in the mid-1970s. Steve said PCCA has been a big help to him and to other ginners in the industry through all of the services offered.

There has also been a fair share of challenges for the Newtons though, including rules and regulations, labor, costs, and

"Anybody can gin cotton, so the only thing you have to offer to distinguish yourself from the rest is providing great service."

-Tony Newton

uncertainty. To get through the occasional hard time, Steve said they hold their costs down and try to pay back as much money as they can to the farmers.

"The cooperative way is to keep what you need to operate and then give the rest back," Steve said. Another aspect that helps in tough times is the quality of employees, he said.

"In all of the years I've been in this business, I have been blessed to have great employees," Steve said. "It is so important to have people you can depend on and will do the job whether you have to tell them to or not." The Newtons said they also support one another by communicating every day.

"Sometimes I can answer his questions and sometimes I can't," Steve said, "but we talk every day just like I talked to my dad every day." Steve also said he is proud to follow in his father's footsteps, and he is proud of his own son for carrying on the tradition.

"It makes me proud," Steve said. "My dad was proud that I chose to be in this business, and I am proud that my son chose to be in it, too."

If the legacy continues and Tony's children, who are ages five, three, and 18 months, decide to work in the business someday, then the Newtons will be ginning cotton for five generations. Only time will tell, but they seem very hopeful in the continuation of the family tradition. 🌱

COOPS COME TOGETHER to Host Producer Orientation

BY SINCLAIRE DOBELBOWER



PCCA, Farmers Cooperative Compress (FCC), and PYCO Industries, the three regional cooperatives in Lubbock, all worked together to host the first Coop Producer Orientation on February 11th in Lubbock.

Charley Triplett, PCCA's Vice President of Member Services, was in charge of planning this event along with Eric Wanjura with FCC, Ronnie Gilbert with PYCO, and Taylor Hurst with PCCA.

Hurst, a PCCA Member Communications Area Manager, said the planning process for this event included many meetings and a lot of details including promoting the event and registration.

"There are a lot of small details that go into making this program work such as booking hotels, catering, buses, printed materials and preparing the actual program itself," Hurst said.

Triplett said the topics discussed at the orientation were centered around the importance of the cooperative system on the local and regional level including

operations of the regional coops and tours of PCCA, FCC and PYCO. He also said it is important to reach out to current members because it is a good opportunity to get to know them better and to hopefully see some of the participants go on to hold leadership positions at regional and/or local coops in the future.

"We need to do a better job explaining that the same reason all of these cooperatives were started still exists today and is relevant in today's environment," Triplett said.

According to Triplett, working together with other cooperatives is valuable because PCCA's relationship with FCC and PYCO is extremely important.

"Many of our members are also members of FCC and PYCO," Triplett said. "We are all working for our membership and deal with many of the same challenges trying to provide the best service and returns to our members."

Hurst said this event was important because it was the first introduction to the regional coops for most of the producers attending.

"Many of the producers that attended are young and most likely the future of their family farms," Hurst said. "It was important that they leave this orientation with a new or better understanding of each coop and hopefully a relationship to build upon in the future."

In the past, PCCA has hosted a Young Producer Orientation, but this year Triplett said it felt like a good opportunity to work with FCC and PYCO to offer a new program for any of the previous attendees that might be more interested in knowing about the three regional coops. He also added how the timing is unique in that PYCO and PCCA both have new CEOs.

When the time for the orientation came, producers arrived for the day and toured all of the facilities, heard from management and executives from each coop, and

finished up the day with dinner at Texas Tech Club. Attendees also heard a presentation from Dr. John Park, a specialist for Texas A&M AgriLife Extension Service, about the benefits of working cooperatively in the industry. Dr. Park has spent the last 20 years working with businesses from farms to consumers and has great insights into what helps his clientele achieve competitive advantages. Dr. Park also is a director for the Texas Agricultural Cooperative Council.

"We had a great group of producers show up, and they all seemed to have enjoyed themselves," Hurst said. "There was also a great amount of participation from the group which contributed to the program and the experience in a major way."

Hurst said her favorite part of the event was getting to see that the attendees gain something from the program.

"Yes, cotton is their livelihood and their everyday routine, but there is so much that encompasses this industry, and you could tell that they understood that and were engaged," Hurst said. "They were actually learning and getting to see some things for the first time. It was great to witness."

Keith Clements, a farmer from Snyder, Texas, attended the event with his wife and his son who also is a farmer, and his son's wife. Clements said having his whole family there was very important because they are all very involved on the farm. He said his wife handles all of the record and bookkeeping while his son manages his own farm.

"It is important that the whole family realizes the value of the cooperative system," Clements said. "I won't be farming forever, and I want my son to understand how important our cooperatives are."

Ryan Heinrich from Lubbock said he attended the event because he felt as a new and beginning farmer he needed to know more background on the cotton business.

"It has opened my eyes to the fact that there is more that goes on than just taking cotton to the gin," Heinrich said. "I realized how much of a big scale everything is on, and I have really learned more about what our coops do for us."

Heinrich said he hopes there is an opportunity for this event to be held every year because he feels it will improve communication about the importance of coops for producers.

"I think it is a really good thing for young farmers, and even farmers who have been farming their whole life, to attend to learn more about the processes and what all goes on in our coops," Heinrich said.

PCCA President and CEO, Kevin Brinkley, said it is important to have events such as this one because it is vital to the future of the cotton industry and true farmer-owned cooperatives like PCCA, PYCO, and FCC to invest in educating younger members on the purpose and role of cooperatives.

"The Coop Producer Orientation provides an opportunity for younger members to see the importance and magnitude of the companies they have invested in," Brinkley said. "Hosting the orientation with all three regional coops is the best way to demonstrate the value of the interlocking system between PCCA, FCC, and PYCO."



Robert Lacy, President and CEO of PYCO, said this event was important for producers to attend from an education standpoint, and it helps the coops improve the way they get their information out.

"We need to educate the farmers, young and old, about the advantages they have within the regional coops," Lacy said. "This event is something we should try to do every year to continue the education process."

Ron Harkey, President and CEO of FCC, said the orientation is a very worthwhile program that benefits the coops as they get to know their members while benefitting the members as they learn more about the assets they own in the regional cooperatives.

"We have a great story to tell," Harkey said. "I hope everyone had a good time and learned more about what the regional coops do for them, and I hope they share that story with their local cooperatives and spur some interest so we can have another good class next year."

Looking forward to the future, Hurst said they learned a lot throughout this process that they could improve on to make the Coop Producer Orientation even more beneficial.

"With every new venture there are things that will go wrong and need tweaking, but thank goodness there are also things that will go right and as planned," Hurst said. "Overall, it was a great event that we look forward to continuing in the future." 🌱

Cris Gwinn

★ ★ ★ SERVES TACC BY JAYCI CAVE ★ ★ ★



Cris Gwinn, PCCA's South Texas Division Manager, was the first PCCA employee to serve as the President of the Board for the Texas Agricultural Cooperative Council (TACC). His year-long term as President began in March 2015.

TACC is a voluntary, statewide industry association created by Texas cooperatives in 1934 to serve as a collective voice, catalyst and clearing house on all cooperative activities in the state, according to their website. The organization is governed by four divisions, three committees, a 17-member executive committee, and a 153-member board of directors.

Gwinn has been a TACC director since 2006. In 2010, he was selected to be Vice Chairman of the Education Committee. The following year, he was appointed Chairman of the same committee and served in this position for two years. For 2013-2014 Gwinn was selected to serve as Secretary of the Executive Committee and moved into the Vice Chairman position in 2014-15. He also is serving on the officer rotation of TACC's Political Action Committee.

Throughout his time as President, Gwinn said the accomplishment he is most proud of is reducing the redundancy at TACC meetings.

"Listening to our board members, the most common topic was hearing the same message several times during our meetings," Gwinn said. "The Executive Board responded by moving back to the organization's core structure. Tommy Engelke and his staff do an outstanding job of lining up speakers and presenting meeting agendas with the most important issues."

Gwinn said his favorite part of his year of service was being able to stay informed and getting to visit with elected officials.

"Tommy Engelke, Executive Vice President, and TACC in general, is a wealth of knowledge," Gwinn said. "Being able to tap into that knowledge has been an eye-opening experience. The most memorable parts of my time have been getting the opportunity to meet and visit with the elected officials for the great state of Texas. My term has given me a whole new perspective on politics and my role as a citizen."

On the political side of things, Gwinn said the issues and policies TACC faced during the year have been similar to other years.

"As harvest nears, members of TACC have questions/issues with the transportation of the raw product from the field to the processing plants," Gwinn said. "TACC facilitates meetings with the Texas Department of Public Safety and our membership. This offers an opportunity for both parties to discuss rule changes and/or potential violations."

Gwinn said TACC also set up several meetings with newly elected Agriculture Commissioner Sid Miller. This allowed them the opportunity to discuss his administration and provide valuable input to their interpretation of current laws. In the future, Gwinn said TACC's biggest challenge will be remaining relevant.

"The biggest challenge for TACC, as I see it, is remaining relevant in Austin," Gwinn said. "Urban sprawl is shrinking rural Texas, and representation in our state's capital for rural Texas is decreasing. Being able to educate and work with Representatives and Senators from urban areas can be a challenge."

PCCA also has seven others who serve on the TACC Board of Directors: Kevin Brinkley, Steven White, Charley Triplett, Allen Hoelscher, Danny Helms, Greg Bell and PCCA Chairman Eddie Smith. Gwinn said he thinks it is important for PCCA employees to be involved with TACC.

"TACC plays a vital role in the state political arena," Gwinn said. "In the ever-changing realm of politics, those that do not stay informed and voice their opinion tend to lose out. It is extremely important to keep yourself educated on policies affecting your industry; therefore, TACC offers PCCA employees updates on factors influencing our industry."

He said his involvement with TACC allows him to have different interactions with the people he works with on a daily basis.

"From a perspective of my job at PCCA, you have a professional relationship with your customers," Gwinn said. "You get out during business hours to go and talk business with them. When you go to TACC meetings, it is the same group of people except you are both there for a common good of TACC. You get camaraderie and get to just visit with them. You can learn just as much or more about your industry, your territory and your gins at the TACC meetings as you do when you go out to the gin and talk to them."

Gwinn said he is thankful PCCA allowed him the time to be involved with TACC and serve in this position.

"I would like to thank Lonnie Winters for allowing me the time away from PCCA to perform my duties to my fullest extent. Being that an individual is first elected to serve as Secretary then rotate up to President, it is a four-year commitment to TACC. Without

"The most memorable parts of my time have been getting the opportunity to meet and visit with the elected officials for the great state of Texas. My term has given me a whole new perspective on politics and my role as a citizen."

-Cris Gwinn

the support of PCCA, I would not have been able to serve effectively. I would also like to thank those individuals in trusting me several years ago when I was elected."

Gwinn's term as President ended in March 2016. He will then rotate to the Former President position and remain on the Executive Committee one more year. In the future he will continue to be active as a board member.

"Hopefully in the future I can be a positive resource for encouragement and support for the future leaders of the organization," Gwinn said. 🙌

A NEW PERSPECTIVE *on Family Traditions*



By Jayci Cave
Photos By Sinclair Dobelhower

The Blagrove family in Ackerly, Texas, has deep roots in both farming and tractor pulling. Looking to gain a unique perspective on the two, Trevor Blagrove began shooting aerial videos with a drone.

"I thought it would be amazing to get aerial videos of the different things we do around the farm and with the family tractor pulling hobby," Blagrove said. "It provided me with a new and very unique view for my GoPro videos that I make."

The Blagrove family has been farming for multiple generations and like many others, it truly is a family affair.

"Cotton farming is what my family does here in West Texas," Blagrove said. "I come from a long line of farmers. Like many families in this area, we have our good years and our bad years, but we always have each other."

Trevor's father and uncle, Steve and Stan Blagrove, also tractor pull as a hobby thanks to his grandfather, "Pop" Derwood Blagrove, starting the tradition in the family.

"They have become successful in pulling on a national level," Blagrove said. "This hobby helps us on the farm. All of the mechanic work and fabricating parts can also be applied to the farm."

Blagrove has been shooting aerial videos for almost two years. He said it took him a year to learn how to shoot video with the drone. Since he started shooting videos, he has shot aerial

footage for multiple organizations, including Plains Cotton Cooperative Association. His footage can be found in PCCA's sustainability video on the website.

"I started shooting many farming videos for myself since it was so interesting seeing the farm from an aerial view," Blagrove said. "Since then, I have shot videos for some tractor pulls and AP Productions used those shots for a tractor pulling program on RFD TV. Later, AP Productions acquired their own drone after seeing how I used mine. If I'm at a tractor pull, they still ask me to shoot videos for them with their equipment. I have also shot some drone videos for PCCA this past fall before harvest."

He said he learns new techniques each time he takes flight, but his two favorite things to video are farming and tractor pulling.

"I love to shoot a cotton harvest into the sunset," Blagrove said. "It gives it a really unique and interesting angle with such beautiful West Texas sunset colors. I also love filming tractor pulling because if you film it just right, the videos are absolutely incredible. The shots are challenging to get, but that makes it fun." Blagrove also has entered some of his work in various contests.

"Back in early January, I completed a UIL film contest documentary video of the Blagroves in tractor pulling," Blagrove said. "This project was not a drone project, but it did have some drone shots in it. Last year, I entered a video in a contest for GoPro. I didn't make it far, but I did receive a 50 percent discount for another GoPro camera."

He said the next project he wants to work on is putting together another cotton harvest video, but he has been too busy with other school projects to get it finished.

Blagrove currently attends Sands High School in Ackerly, Texas. He is actively involved in many extra-curricular activities. In the fall, Blagrove plays 6-man football and runs cross country. The past two years they have won their region and qualified for the state cross country meet. He also plays basketball and participates in track and field, and he has competed in the UIL film competition. He also stays active in FFA.

"I'm involved in FFA, competing in radio, chapter conducting, speech and other contests," Blagrove said. "The last two years I have participated in ag mechanics. Last year we restored a tractor, and this year we built a hydraulic lift trailer. We competed with the trailer in the contests at San Angelo and San Antonio."

Outside of school, Blagrove said he enjoys off-roading in his Polaris RZR while filming fun shots with his GoPro. He also is starting to tractor pull more with his family.

"I am starting to get more involved in tractor pulling since I am getting to drive our two-wheel drive pulling pickup, the "Wild Horse," which of course, usually has a GoPro on it," Blagrove said. "My other hobby is filming and putting videos together." 🌱

Photo by Trevor Blagrove





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