

# **PCCA** COMMENTATOR

PLAINS COTTON COOPERATIVE ASSOCIATION | WINTER 2018-19



**PCCA: SUSTAINABLE COTTON, RESPONSIBLE GROWERS**

**RANDY SMITH: PASSION SERVES**

**COTTON: FROM COMFORT TO INNOVATION**

**COMMUNITY, FAMILY, FARMING: KODY CARSON**



# COMMENTATOR

VOLUME 49, NO 1 | WINTER 2018-19



**PCCA: Sustainable Cotton,  
Responsible Growers**



**Randy Smith: Passion Serves**



**Cotton: From Comfort to Innovation**



**Community, Family, Farming: Kody Carson**

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*PCCA grower-owners have worked day and night to harvest their crop. Throughout the year they work tirelessly to provide the world with sustainably grown cotton. See related story on page 2. Photo by Jayci Cave.*

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*COMMENTATOR is published three times per year as information for its grower-owners 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.*



## Letter *from the* President

One of the most unique aspects of a true cooperative is the transparency of its strategy and operations to its grower-owners. Ownership of PCCA means you participate in your cooperative as a patron (user) and a decision maker. Because of this unusual structure, we provide our grower-owners with as much information as possible.

We deliver this information in three primary ways:

1. **Technology:** PCCA depends heavily on our connections with co-op gins and our grower-owners through web-based and mobile applications. Staff at cotton gins can locate information about your accounts in real-time. We have also extended much of this same information to your mobile devices.
2. **Direct Communication:** When needed, PCCA will communicate via printed material, social media and by video. These methods serve to explain, clarify and reinforce activities of the co-op and how our grower-owners and gins can best be served by the products and services offered by PCCA
3. **Face-to-Face:** This is perhaps the most valuable of all methods. The Board of Directors, Delegate Body, Marketing Pool Committee and staff of PCCA are eager to talk about the co-op and the importance of our mission to our grower-owners. Personal visits from me or a member of our staff are encouraged to help answer questions about markets, services or other ways that we can help you succeed.

Ownership of this important information also means each member should treat it in a way they would handle it in their own business. This partnership embodies the cooperative principles and binds our grower-owners together for the good of every member. Together, we can continue to make Plains Cotton Cooperative Association a vital link in the supply and marketing chains for cotton in Texas, Oklahoma, Kansas and New Mexico.

Sincerely yours,

Kevin Brinkley  
President and Chief Executive Officer



# Sustainable Cotton.

## RESPONSIBLE GROWERS

*Story and Photo By Jayci Cave*

*Why do farmers farm?* This question is one that is understood by many within agriculture, yet baffles many not in the industry. If you were to ask a group of farmers why they farm each one would give you a different, unique answer. "I wanted to follow in the footsteps of my father and grandfather," or "I enjoy working outside and being my own boss," or "I've never wanted to be anything except a farmer," could be possible answers. However, below the surface, farmers also have a deep love of the land that fuels all that they do. They want to make sure they can clothe and feed the world today while also conserving natural resources to help ensure that future generations will have the opportunity to do the same.

### **That is sustainability.**

The official dictionary definition of sustainability is: the ability to be sustained, supported, upheld confirmed. As it applies to agriculture, the goal of sustainability is, "to be able to meet society's food and textile needs in the present without compromising the ability of future generations to meet their own needs," (University of California).





Travis McCallister, West Texas

Sustainability concerns and practices are not new concepts, and people within agriculture have no doubt our nation's farmers work hard every year to do their share to protect our natural resources and grow sustainable products. This topic was first addressed by Congress in the Food, Agriculture, Conservation and Trade Act of 1990. So, why is this an important conversation now? In today's society, consumers are more aware and concerned about where their food and fiber come from than ever before. They want to know the story of the food they eat and the clothing they wear. They have a desire to be more informed before they make any product buying decisions. As a result, retailers and manufacturers are also more concerned with sourcing sustainably grown products.

"Communicating our commitment to sustainability is definitely a high priority for the industry," said PCCA President and CEO Kevin Brinkley, who is also a member of the National Cotton Council's Sustainability Task Force.

Brinkley said the industry has dedicated significant resources to help growers quantify their investments in sustainable, responsible cotton production.

"U.S. growers are at the forefront of innovation when it comes to conservation and environmental stewardship," Brinkley said. "We are very close to using technology to track and report our progress against our 10-year goals in six key environmental impact areas."

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Abernathy Family, Oklahoma



Lahey Family, Kansas

## ENVIRONMENTAL IMPACT *Areas and Goals*

WATER	▼	18%
LAND USE EFFICIENCY	▲	13%
SOIL LOSS	▼	50%
GREENHOUSE GASSES	▼	39%
ENERGY	▼	15%
SOIL CARBON	▲	30%





Brian Baker, West Texas



Seeliger Family, Kansas

...continued from page 3.

What does this mean for agriculture as an industry? It is more important than ever for us to communicate. Consumers and manufacturers need the opportunity to know and trust farmers like so many within agriculture already do.

"All of the progress toward reducing our environmental impact must be done in the context of profitability. If it isn't profitable it isn't sustainable," Brinkley said.

Today's farmers are producing more with fewer resources to provide food and fiber for an increasing population. While doing this, they are also making sure to care for the natural resources they depend on. This is why many implement conservation techniques to protect their farms from soil erosion and compaction, improve water conservation, and are working to increase technology and efficiency. The proof is in the numbers.

More sustainable, responsible cotton farming is at the heart of what PCCA grower-owners do. Year-after-year, growers look for better ways to produce cotton while conserving natural resources and protecting the environment where they live and raise their families. Sustainability also improves the communities where PCCA growers live. It's natural for cooperative growers to take ownership of their responsibilities. *Doing the right thing* is a strategy for long-term success.

As a result, PCCA is increasing its efforts to highlight our grower-owners' responsible farming practices which they implement every day. The main hub for this information is a new page on the PCCA website, [www.pcca.com/sustainability](http://www.pcca.com/sustainability). Going forward, be on the lookout for more information and stories related to the environmental and economical sustainability of PCCA and its grower-owners. 🌱

## DID YOU *know?*

Modern cotton varieties tend to provide at least **50 pounds of lint and 70 pounds of seed per acre** for every inch of water used ([cottonleads.org](http://cottonleads.org)).

Over the past two decades, U.S. growers have improved the **efficiency of irrigated water use by 80 percent** ([cottoninc.com](http://cottoninc.com)).

Due to more efficient technologies in harvesting and ginning, as well as reduced tillage, U.S. cotton has **reduced energy use by 38 percent since 1980** ([cottonleads.org](http://cottonleads.org)).

Cotton growers in the U.S. make **50 percent fewer insecticide applications** than the generations before them ([cottoninc.com](http://cottoninc.com)).

Two-thirds of U.S. cotton growers employ conservation tillage, resulting in a **68 percent reduction in soil loss on U.S. cotton acres over the past 30 years** ([cottoninc.com](http://cottoninc.com)).



# stay connected WITH PCCA

At PCCA, we put honesty and integrity, along with your operation, at the top of our priority list. Our sole purpose is to provide a source of strength and quality cotton marketing for our grower-owners, a quality product for our customers, and value-added services to co-op gins. One of the ways PCCA works to maintain such standards is by providing all possible information we receive to those who use our services. No matter your place in the cotton industry, we want you to be able to make informed and accurate decisions about your operation from industry insight. It is for this reason that we have a variety of information sources available to our customers and grower-owners:

## MARKETING TEXT ALERTS

- These text alerts detail what happens in the market and when. There is no need to endlessly search for data when it can be sent right to your fingertips
- Includes market highlights featuring USDA reports, economic news and other market-related information.

### How to Register:

1. Log into PCCA Member Access (<https://pcca.com/MemberAccess/>).
2. Click "Account Settings." Here you will be able to confirm your email address.
3. Check "Receive Marketing Text Alerts."
4. Scroll down the page to enter or confirm your cell phone number. (More than one phone number can be added).
5. Click "Save Changes" at the bottom of the page.

## MEMBER ACCESS

- As a grower-owner of PCCA, you are provided with Member Access, a platform you can visit to review all of your account activity 24/7.
- Includes gin account information, scale ticket information, statements, and patronage via a secure website.

### Create a Member Access account at:

<https://www.pcca.com/pcca-member-services/member-access/> and click the link under "New Users."

## COTTON MARKET WEEKLY

- This weekly newsletter provided by PCCA is sent out each Friday and recaps important events that occurred in or that affected the cotton market for the given week.
- Includes world supply and demand, exports, trade, weather and crop conditions.

### How to Subscribe:

Visit <https://www.pcca.com/publications/subscriptions/> and submit your email to PCCA.

## GIN SERVICES

This platform is available to all co-op gins using PCCA systems. Here, important messages are shared with the gin, in addition to access to programs that increase efficiency and effectiveness

Sometimes, the best way to receive information and to gain a solid understanding of an issue at hand is to hear about it in person. At PCCA, we are also willing to conduct gin and member meetings to help provide those in your community with the information they need, whether it concerns their crop, gin or member services, the cotton market, or marketing choices provided by PCCA. If you are interested in staying connected with PCCA through one of the services discussed here, please do not hesitate to reach out to the PCCA Member Services team, or call PCCA at 806-763-8011. 📞

*By Blair McCowen*





# Currency Values Weigh on DEMAND FOR U.S. COTTON

**As far as U.S. row crops go, cotton is particularly susceptible to foreign exchange. As opposed to U.S. grains, the vast majority of U.S. cotton is exported to our country's trading partners. The U.S. Department of Agriculture currently predicts 80 percent of 2018 production will leave the country by the end of the marketing year on July 31, 2019. That much is common knowledge, but fewer people are familiar with the challenges that importing countries face, especially with regard to managing foreign currency.**

U.S. companies are uniquely privileged in international trade since the U.S. Dollar is the main currency of international trade. Most international deals are transacted in U.S. Dollars. For many other countries, this arrangement adds another step of complication. Before foreign buyers can pay for U.S. cotton, they first have to buy U.S. dollars. When that country's currency weakens against the U.S. Dollar, the buyers will have to spend more of their home country's currency just to buy the same number of dollars they need to purchase the cotton. When the importers' currency strengthens against

the U.S. Dollar, less of their money is needed to purchase the same number of dollars needed to buy cotton. So, for many of the countries that import U.S. cotton, large movements in the value of their currency can be more important than changes in the price of cotton.

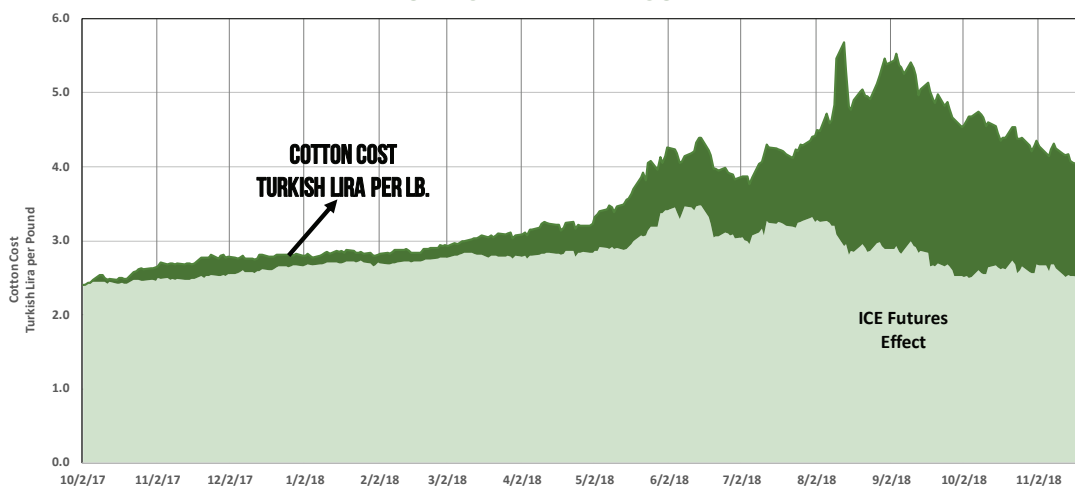
A perfect example is Turkey, a reliable customer for many years. A deepening economic crisis in Turkey caused its currency, the Lira (TRY), to plummet. From April 2 to August 13, the Lira fell almost 73 percent in value versus the U.S. dollar. Since textile mills in Turkey must buy dollars in order to purchase U.S. cotton, mills that would have normally imported U.S. cotton were forced to focus on domestically-grown cotton, which does not require exchanging currency. However, Turkey's farmers only produce about 63 percent of cotton

*By John Johnson and Chris Kramedian*





## IMPORTED COTTON COST TO TURKISH BUYERS TURKISH LIRA PER POUND



*The dramatic devaluation of the Turkish Lira peaked in early August. Since then, it has recovered but not to levels before the economic crisis began.*

Fortunately, the Turkish Lira has partially recovered since August as economic and political tensions eased, putting U.S. cotton back in reach of Turkish buyers.

needed by the country's textile industry, thus mills eventually will have to import cotton to meet their needs. Fortunately, the Turkish Lira has partially recovered since August as economic and political tensions eased, putting U.S. cotton back in reach of Turkish buyers.

The Lira's loss of value has been attributed to Turkey's President Tayyip Erdogan's opposition to the country's Central Bank raising interest rates to control inflation. Erdogan wanted to keep interest rates low to encourage borrowing and investment in infrastructure. However, the bank eventually raised interest rates. The move enabled the Lira to stabilize and rebound somewhat against the dollar but not back to previous levels. The United States' increased tariffs on Turkish aluminum and steel contributed to the turmoil and uncertainty, and Erdogan imposed retaliatory tariffs on imports of U.S. products such as cotton.

Turkey's Lira was not the only currency to suffer a big devaluation this summer. Several other countries also saw dramatic depreciations. There were several political factors influencing international exchange rates, but two specific factors outweighed the others. First, the U.S. Federal Reserve continued to increase interest rates this year, which made U.S. deposits and, therefore, U.S. Dollars more attractive to international investors. Secondly, in October, the price of oil rose to its highest level in almost four years, which had a particularly severe effect on import-dependent economies. Countries like Indonesia, for example, had to buy more and more U.S. Dollars just to buy the same amount of oil, decreasing the value of the Indonesian Rupiah in the process.

At the same time that foreign currency weakness made U.S. cotton more expensive for importers, it also made the export market more attractive for foreign cotton exporters. In India, where exporters buy local cotton in Indian rupees but sell internationally in U.S. dollars, rupee depreciation opened pricing opportunities.

"U.S. competitors have enjoyed a big advantage price-wise, giving them more bargaining power," said PCCA Vice President of Marketing Keith Lucas. "We've had to be more selective in the way we offer cotton and more deliberate about when we offer it," Lucas said. "Fortunately, we've been able to maintain a reasonable pace of sales."

While the trade dispute with China has garnered the headlines, the strength of the U.S. Dollar and its impact on foreign currencies have been a very significant factor to both price and sales.

"We need a resolution to these trade disputes so we can get back to the cotton demand levels we've seen in recent years," Lucas said. "They are affecting all segments of U.S. agriculture, not just cotton." 🌱



# RANDY SMITH

## PASSION SERVES

STORY AND PHOTO BY JAYCI CAVE

"Growing our crops, we understand the nature of what we do, what we experience and what we are up against," Randy Smith said. "I think being able to be part of it past the farm is rewarding from the standpoint that it enables us to broaden what we do and have a little more control over our end product."

Passion – Randy Smith, a fourth-generation grower-owner from Ropesville, Texas, and PCCA's newly elected Board Member serving District 5, has a passion for his family, farm, crops and the future.

Smith has been married to his wife, Pat, for 42 years. Together, they have three children, Rob, Jessica and Lauren. They also have been blessed with six grandchildren and have two on the way. Smith said that while his children chose to pursue careers other than agriculture, it was important to him to raise them on the farm, and he only wants them to be happy no matter what they do.

"I think I enjoy just being part of growing things, and the lifestyle you get to experience by being part of an agricultural community," Smith said. "I think there is something special about small town America that I think, in conjunction with having a love for growing crops, being able to be involved in a small ag community is great. It meant a lot to me that my children could be raised in that setting, and I think it meant a lot to them."





**“AS AG PRODUCERS IN WEST TEXAS, WE ARE VERY COMMITTED TO BEING AN INTEGRAL PART OF THE ECONOMY IN WEST TEXAS, THE STATE AND THE NATION. WE DO IT THROUGH AGRICULTURE. WE HELP WITH A LITTLE BIT OF TRADE BALANCE, AND IT IS A RENEWABLE RESOURCE. WE GET TO DO THIS OVER AND OVER EVERY YEAR. TO ME, I THINK FOR THE NATION THAT AG WILL ALWAYS BE NEEDED.”**

Born and raised in Ropesville, Texas, after high school, he studied agricultural engineering at Texas Tech University and began farming his junior year of college. However, building his farming operation was not without its challenges in the early years of his career.

“I started farming while I was going to Tech with 230 acres, which 60 of that was irrigated, and it has just kind of evolved from there,” Smith said. “This is my 41st crop. My granddad had a little bit of land when he retired that he let me rent, and I had some alfalfa on it. So, we grew alfalfa, and I had just a few cows that we started with. We baled some hay on the side and started growing some cotton. The first ten years I guess, we did not have a lot of success as far as renting more land or making very good crops. At points in time, it was pretty questionable whether I was going to survive this or not.”

While the early years of his career were more challenging than some, he said the challenge today is to continually improve his operation.

“The challenge I think is to always do just a little bit more or be a little better,” Smith said. “We have been fortunate enough to have some fairly good yields over the years, and I want to continue to push that envelope as much as I possibly can. Back when I started farming in the late ‘70s our cotton in West Texas was considered junk cotton, basically suitable for jeans. We grew very short staple, low strength cotton. So, it is with a lot of pride 41 years later for myself and the rest of those that are involved in cotton production in West Texas to be able to have some of the best qualities in the world now.”

The goal of continually improving not only applies to yields and qualities, but also to the practices farmers use to care for the land. Smith said he is always looking for new sustainability practices to implement on his farm.

“Well, one of the things I am most proud of is we started 23 years ago putting drip irrigation in to help sustain and utilize water in a better, more efficient way to get a better return financial for every gallon of water we use,” Smith said. “We have cut the number of trips we make with our equipment to not use as many petroleum products, but also we had to do it to try to cut costs and make our operations more efficient. We are actually experimenting this year with some different kinds of cover crops that will hopefully allow us to utilize rainfall a little better and maybe

incorporate some nutrients through some of the cover crops into the soil that we had not been doing previously. Hopefully, at the end of the day all of this works in conjunction with being environmentally sound and allowing us to grow crops that are extremely valuable for the rest of the world.”

Smith said he initially began doing business with PCCA because he felt like he was not doing well marketing cotton on his own, and it was a big bonus to have the cooperative market his crop for him.

“I have found that allowing PCCA to market my cotton has enabled me to spend nearly all of my time in production,” Smith said. “Then, of course, their presence in the world markets and the opportunity to have a little ownership in the cotton from the farm to the point of sale is good for my operation. We know that we have people up there that are looking out for us and want the best for us. They are in this just as much as we are, and they are committed to making us everything we can be.”

Smith began serving on the PCCA Board of Directors after being elected at the cooperative’s Annual Meeting in September 2018. He said he is very humbled to have the opportunity to serve in this capacity and be more directly involved in the cotton industry than he has been in the past.

“I am new to the board, and I know there are a lot of things that I am not aware of that I have to learn and understand a little better about the inner workings of PCCA,” Smith said, “but I am very committed to what PCCA stands for and I am just really excited to be a very small part of that.”

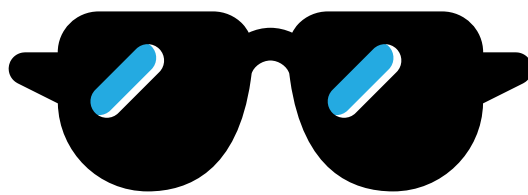
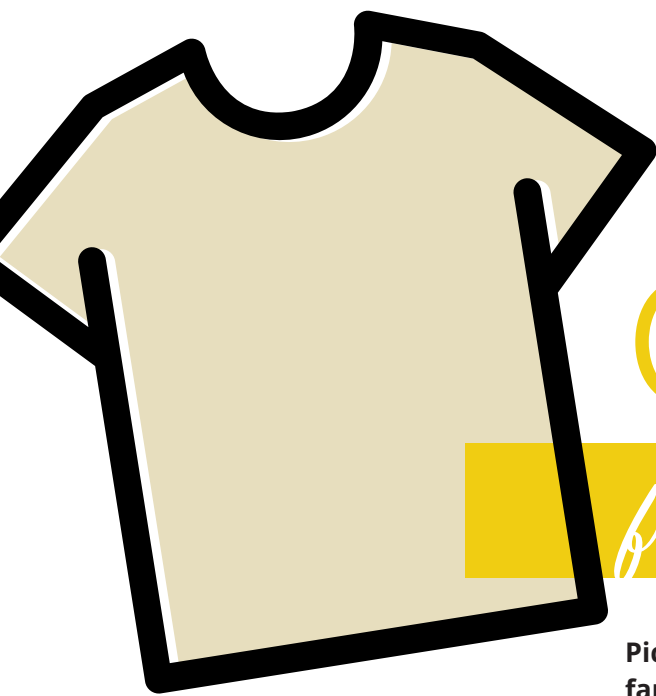
Smith said to this point the thing he enjoys the most about PCCA is the opportunity to interact and visit with other farmers and learn from them.

“I think one of the things I enjoy most is being able to meet on a fairly regular basis,” Smith said. “Up to this point, my experience with PCCA as far as being directly involved has been through the Delegate Body. I look forward to that meeting because you get to see producers from all over the South Plains, and at times even Oklahoma and Kansas. It does my heart good to see people from other areas and to know a little bit about what they experience and what they are dealing with.”

Smith also served on the Ropes Independent School District Board for 21 years. He is a member of Hockley County Farm Bureau and is a past FSA committee member. In the past, he has also served as a committee member for the High Plains Underground Water District.

Whether it be loving his family, working the land or serving his community or the agricultural industry, Smith approaches each with the same level of passion and dedication. He is committed to what he does, and he knows that agriculture truly is the future of this nation.

“As ag producers in West Texas, we are very committed to being an integral part of the economy in West Texas, the state and the nation. We do it through agriculture,” Smith said. “We help with a little bit of trade balance, and it is a renewable resource. We get to do this over and over every year. To me, I think for the nation that ag will always be needed. I don’t know if the nation understands that or not, but we will always be an integral part of the nation and its economy. It is self-preservation, that we don’t return all of our production over to another country and we are still producing it here in the United States. We are very viable producers and in my estimation, the best in the world.” 🌱

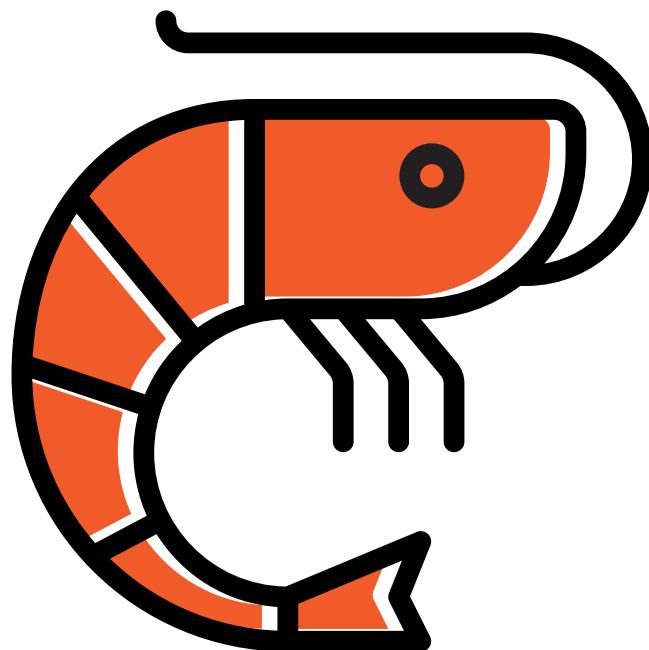


# COTTON:

*from* COMFORT *to* INNOVATION



Picture this, you are a young child growing up on a cotton farm. As your father and other family members work to complete harvest on the cotton strippers, you are tasked with tarping modules, or perhaps tromping cotton in cotton trailers. As you climb up the ladder and toss the tarp on top of the module and begin untying it, you take a second and lay down among the fiber that has just been pressed. Or, as your legs begin to grow weary from tromping cotton, you sit for a spell down inside the trailer. As the cool fall breeze blows across your face and the familiar smell of fiber, dirt and burrs fills your senses and you relax, you begin to wonder where the cotton goes next after it leaves the gin, and even the warehouse. Maybe it turns into jeans and shirts. "That can't be all. Where else does it go?" you might ponder.



BY BLAIR MCCOWEN



Cotton's main use is in the textile industry, but today, the fiber crop many know, grow, and love has been allowed to find a foothold in many other consumer products on the market thanks to innovative technology. When the seed, fiber, and even burs find new homes in new products, value is added to each component of the crop every step of the way.

Stacey Gorman, Director of Communications for The Cotton Board, said the uses for cotton are endless, and each use adds value to both the consumer and producer.

"The possibilities for cotton are limitless," Gorman said. "Together, through the Cotton Research and Promotion Program, cotton producers and importers are funding cutting-edge scientific research, award-winning advertising campaigns, and state-of-the-art manufacturing techniques to help this trusted, reliable crop find new markets for generations to come."

## COMFORT: COTTON IN TEXTILES

At the helm of expanding cotton's use further in the world of textiles is Cotton Incorporated. The organization has worked to develop new technologies that present cotton as a desirable component of fabrics for the textile industry – from workout wear to everyone's favorite blue jeans. Some technologies that have been developed by Cotton Incorporated with funding from the Cotton Research and Promotion Program include:

**TransDRY® Technology** – A high performance moisture management application for fabrics that performs as well as other synthetics on the market.

Brands that carry TransDRY® Technology include Under Armor®, Eddie Bauer®, and Remington 1816™.

**Wicking Windows™, Storm Cotton, and Storm Denim™ Technology**

– High performance finishes that help move or repel moisture from the surfaces to which they are applied. This technology repels liquid and still allows moisture vapor to pass through the fabric, decreasing the time it takes the garments to dry.

Brands that carry products with this technology include: Cabela's Guideware and Roughneck lines; L.L. Bean's Katahdin Iron Works®; The North Face sweatshirts; Under Armor Charged Cotton® Storm; 5.11 Tactical's® water repellent job shirts; and other popular brands in Canada, East Asia, Europe, Australia, and New Zealand.

**Tough Cotton™ Technology** – Enhances durability of the clothing and is mostly used in children's clothing.

Brands that carry products with this technology include: Walmart's Wonder Nation girls leggings; Target's Cat and Jack™ boys' school uniform pants, girls leggings, and girls fashion pants; and JCPenney's Arizona and Okie Dokie brands in girls leggings.

"Globally, 442 companies are licensed to use one of Cotton Incorporated's key fiber technologies," Gorman said. "It is not a requirement for apparel partners to label their products with Cotton Incorporated's technologies' names – they can call their products whatever they choose – but it is a requirement that if they use the technology they must use it on cotton."

According to Cotton Incorporated, "Cotton's natural properties can be enhanced through application to technology innovations that reinvent cotton as a true performance fiber. Through the use of Cotton Incorporated's branded technology solutions, cotton can be engineered to manage moisture as well or better than many top-performing synthetics, or made to repel moisture with exceptional durability over the life of the garment."

In addition to these technologies, Cotton Incorporated also works to promote other characteristics of cotton, such as the fiber's ability to provide a better night's sleep, its versatility, durability, low maintenance, and comfort.

"Cotton is used in tons of products consumers know and love," Gorman said. "From denim blue jeans and t-shirts to bedding and towels, cotton continues to dominate many traditional markets. However, as synthetic fibers get better and better at imitating the feel of cotton, it is more important than ever for consumers to check their labels to ensure they are buying cotton."

*continued on page 12...*

## INNOVATION: COTTON IN CONSUMER PRODUCTS

While cotton may best be known for its uses in the world of textiles, recent research is helping promote the fiber crop's presence and use in other areas of production. For more than 10 years, Cotton Incorporated experts have been continually pushing the crop into nonwoven markets and shaking things up in areas that are traditionally synthetic based. Some new and innovative products include:

- High protein, high value cottonseed meal feed for shrimp farms
- All natural, zero trans-fat cottonseed cooking oil
- Nutrient-rich whole cottonseed dairy feedstuff for cattl
- Pampers Pure Protection diapers and wipes
- UltraTouch™ Denim Insulation
- Spray-on hydromulch
- Mushroom Materials® - naturally grown, 100 percent biodegradable packaging
- JaDecor Natural Wall Covering – to absorb heat and sound
- Zeal Optics Cotton Bioplastic Sunglasses

Cotton has many more uses than those listed here, however, one thing remains true: brands and retailers are gaining more and more interest in using cotton and its byproducts in what they produce. Gorman said consumers can know for sure if a product contains cotton by looking for the iconic cotton seal.

"More than 75 percent of consumers say brands using the Seal of Cotton trademark help them make an informed purchase decision and their shopping experience easier," Gorman said. "Consumers expect quality in the apparel and home fashions they purchase. The Seal of Cotton enhances the fact that the cotton products they purchase will meet those expectations. Each impression made reinforces consumer recognition of cotton apparel and home textiles and positively impacts the overall demand for cotton and its products."



Cotton Incorporated and the Cotton Board also continually work to make cotton both known and attractive to brands and retailers through educational efforts that are designed to benefit both the produce of the crop and the producer of the end product.

"The Importer Support Program of the Cotton Board is a critical part of the overall research and marketing activities for cotton," Gorman said. "Managed by Cotton Incorporated, it is designed to benefit both the importer segment as well as U.S. producers by its contribution to enhancing overall cotton demand. Some major activities of the Importer Support Program include: interactive workshops, educational tools, economic forums, industry summits, and research initiatives that educate brands and retailers on the advantages of using cotton."

Cotton Incorporated also works with Cotton Council International to help promote U.S. cotton in international markets. CCI partners with the U.S. cotton industry and USDA to educate brands, retailers and textile manufacturers about the quality and reliability of U.S. cotton. CCI supports start-up manufacturers by introducing them to brands and retailers that can market innovative new products.

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## ADDING VALUE

Finding new and innovative uses for a product that has been used in textiles for centuries is a sure way to make cotton more valuable in the years to come. Whether in textiles or other new and innovative products, cotton has a place in everyone's life. As the cotton market is ever-changing, other uses for the fiber crop are being developed, ensuring that value will be added to cotton through its supply-chain journey.

"While downturns in cotton prices make headlines, new markets and innovations for cotton have the potential to make history," Gorman said. "The Cotton Research and Promotion Program continues to cultivate new uses and applications for cotton to make sure U.S. cotton has a place in the market for generations to come." 🌱

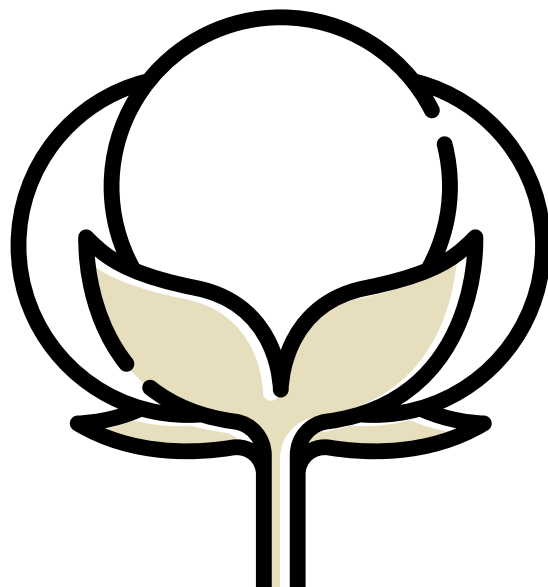




Photo courtesy of Texas Tech Southwest Collections.



## Lubbock's FIRST COTTON GIN RECOGNIZED

**D**ozens of residents and cotton industry representatives gathered Oct. 5 for the unveiling and dedication of a Texas Historical Marker by the Lubbock County Historical Commission recognizing Lubbock's first cotton gin. The marker is located at 17th Street and Avenue A, near the gin's original location. The significance of the gin cannot be overstated because it enabled Lubbock to become the hub of the West Texas cotton industry that is a driving force for the area's economy.

It is remarkable to note in the 1850s, West Texas was considered the great American desert. Some thought it was a hostile and forbidding place and destined to remain uninhabited forever. Some explorers noted the region's unpredictable climate with threats for every season including torrential downpours, hail, tornadoes, sleet and snow. About three decades earlier, the first Anglo settlers arrived in Texas, planning to support themselves by growing sugarcane and cotton, and the first gin was built in 1825. Eventually, settlers arrived in West Texas including farmers fleeing the ravage of the boll weevil and seeking inexpensive land.

The first cotton crop in Lubbock County was produced by W.P. Florence in 1901, according to LCHC. However, he had to haul the cotton to Big Spring, Texas, for ginning, a journey that must have taken several days. Lubbock's leaders soon realized the potential for increased cotton production and the need for a cotton gin. The Lubbock Gin Company was formed, and the equipment that was purchased in Dallas was shipped by train to Canyon, Texas. From there, it was hauled by horse and wagon to a three-acre site on the southeast edge of Lubbock. The gin opened in December 1904 and processed 73 bales. After operating for a few years, it is believed the gin was relocated to Slaton, Texas, possibly due to the opening of other competing gins, LCHC explained in its news release.

BY JOHN JOHNSON

"By 1931, there were five cotton gins within the city limits, two cotton compress warehouses and one cotton oil mill," LCHC said. "From humble beginnings with a few farmers and one small gin, Lubbock has become a leader in the cotton industry."

That leadership has included the creation of co-op gins throughout the region and regional co-ops such as PCCA, Farmers Cooperative Compress and PYCO Industries. It also facilitated the development and introduction of innovations to better serve their grower-owners. Among those are High Volume Instrument (HVI) classification with assistance from PCCA as well as the cooperative's original electronic cotton marketing system known as TELCOT and an electronic title system.

Lubbock County has been among the top 10 cotton-producing counties nationwide since the 1950s and some years is the number one county. Additional historical markers recognizing the cotton industry are anticipated. 🇺🇸



*Emerson Tucker, former PCCA employee and member of the Lubbock County Historical Commission (left), helps unveil the historical marker.*





# Community, Family, Farming

KODY CARSON

Story and Photo by Blair McCowen

**Kody Carson is one of the newest additions to the PCCA Board of Directors.** Hailing from Olton, a small town in the Texas Panhandle where his family has been established since the 1930s, Carson has spent his life positively contributing to rural America, his community and his family. Recently, Carson was elected by his peers to help guide the business operations of PCCA. Serving as the director for District 2, he took his seat in his current position following the PCCA Annual Meeting in September 2018.

Carson and his wife, Kimbra, have two daughters and a son. Kimbra and Kiva are Kindergarten teachers while Kaymi is a NICU nurse. Their son, Kylan, currently raises show stock and is also involved in the family farming and cattle operation.

As an active member of his community, Carson holds board positions at Ag Producers Co-op and the National Sorghum Producers. He also spends time working to find alternative crops to integrate into his rotation, as well as promoting and supporting the community of Olton. Carson says one of his favorite things about community involvement is having the opportunity to collaborate with others from different backgrounds to accomplish specific goals, especially in the cooperative system.

"Farmers are pretty independent thinkers, and it is hard to get three of them to agree on much of anything," he said, "but I love the way the co-op is set up where you have a board of directors from different communities different geographical sectors, and different ways of thinking. I also like the fact that not everyone agrees in the board room. I like having different ages the different sizes of farms represented, and I like the whole dichotomy of bringing it together from different perspectives to a consensus that is beneficial to everyone.

## STARTING OUT

Carson was on the brink of beginning his farming career in the 1980s, a time when many others were having to make dire and often unwanted decisions concerning their operations. Recognizing that it was not his time to begin farming just yet, Carson earned his master's degree from Texas Tech after graduating with his bachelor's from West Texas A&M University in Canyon, Texas. When the time was right, Carson returned home to Olton and began the way of life that would soon lead him to becoming a leader in his community and in agriculture.

"You know, I grew up on the farm," he said. "I don't guess I really ever thought about wanting to do anything else. I knew I wanted to go to college, and when I got out of my undergrad it was the mid 80s. Farming was absolutely in the tank, people were barely hanging on. I had an opportunity for a scholarship to get my master's so I went and did that."

Carson's first farming venture was helping a few older gentlemen in his community care for their land during the 1980s. He said for a couple of years



he mostly custom farmed their land, and when he had built up the appropriate amount of finances, he started farming on his own.

"My dad and I always farmed in the same area and side-by-side but we never actually farmed together because I started off separately," Carson said. "It never made sense to put the operations back together. People ask me why my dad and I don't farm together and I jokingly say it is because we genuinely like each other, and we wanted to keep it that way. It is just the way it worked out. The last several years before he retired we have harvested together, which was fun for me because harvest has always been a special time to me. It was neat to get to do that with my dad."

### A TOOL IN THE BASKET

In the same way that farming has always been part of his family and community, Carson also said PCCA has been a sort of household name, which makes him feel honored to serve in the leadership capacity he does.

"If I am going to put time and effort into a organization, I wanted it to be something that would be important to me and my family for the long haul," Carson said. "PCCA has been a staple of my family for years. We have always been involved with it through the cooperative gin, we have been in and out of the pool with different amounts and have utilized PCCA's other marketing tools as well. I think it is a very well-run organization. It serves a huge purpose, and I think it has benefitted the panhandle of Texas millions and millions of dollars that would have left our area if PCCA wouldn't have been here."

Today, Carson uses the lessons he learned during the start of his farming career to serve others that need guidance and advice. He said one of the tools that has helped make his operation successful is PCCA's marketing options.

"PCCA has been a constant player in my operation," Carson said. "I market through the pool, I think it is a great marketing tool. It is no different than diversifying corn or wheat through hedges and forward options or forward contracting, it is just another tool to put in your basket. I have also used the bale contracts PCCA offers. I like the way that those guys are studying the markets every day, they are able to sell on economies of scale that I wouldn't have the opportunities to as an individual."

In addition to PCCA and the marketing pool, there are other aspects of the cooperative structure he appreciates as well.

"I also like the fact that it unifies me with other farmers to some degree," Carson said. "I think through unity we have a bigger voice. PCCA has been huge in promoting and developing the cotton industry in West Texas and building overseas markets. You know, Kevin and the past CEOs, they spend a lot of time on the road working for us, trying to develop things that as farmers we either don't have the skillset or the time to go do. I think that is one unique thing that makes PCCA worth putting my time and effort into."

### FOR THE LONG HAUL

Time, effort and patience are key things that community, family and farming all demand. Carson said in the cooperative system, the benefits of one's own contribution are often reaped at a later date.

"Yes, it is important to stay in business today, but you are here because you want to be in business 10 or 20 years down the road also," he said. "Co-ops keep the money in our local economies – it is not sent off to another state's corporate headquarters. There is also pride in ownership. If you are part of a co-op, you are an owner in that."

In much the same way a new farming operation comes with increased responsibility to ensure its sustainability and profitability, so does being an active member of a cooperative. No matter the size or stature of the operation, Carson said everyone has an equal voice in how the business operates.

"As with PCCA, and with a co-op of any kind, you have a say in how it functions. If you like how it is working, say so, if you don't that burden is really on your shoulders," Carson said. "It is no one else's fault if you don't let your thoughts be known, good or bad. I like that part of the individuality. I like that my word can be heard no matter how big or small I am."

Just as cooperatives have helped sustain families just like Carson's for generations, taking care of the land is also an action that cannot be forgotten if agriculture is to make it for the long haul.

"You can look around the panhandle at third and fourth generations, and you know that those people were good stewards of what God blessed them with, and they got to hand that down," Carson said. "I see a lot of satisfaction in knowing that if someone in my family chooses to keep this land, they will know that I have walked that dirt and I have plowed that soil. If my family doesn't choose this direction, I hope someone else appreciates that I tried to be a good steward as they come along. This will be here long after all of us are gone, and I think that is a neat thing." 🌱

Co-ops keep the money in our local economies – it is not sent off to another state's corporate headquarters. There is also pride in ownership. If you are part of a co-op, you are an owner in that.



Managing risks associated with farming cotton is more important than ever. Growers need innovative tools to help tailor cotton marketing solutions to their operations. Plains Cotton Cooperative Association delivers a strong suite of marketing choices designed to provide the right mix of reliability and opportunity for cotton growers.

Founded in 1953, PCCA utilizes the strength of its true cooperative structure to deliver competitive results now and create long-term benefits for you and your family. As a grower-owner of PCCA, you can choose a marketing plan that best fits your operation. From professionally-managed pool marketing and forward contracts to electronic marketing and PCCA Direct, your co-op has a solution for you.

*Photo by Jayci Cave*





## Pool Marketing

- PCCA's most popular marketing option
- Acre-based production
- Superior long-term results
- Ownership and cooperative marketing power
- Expert marketing team and global sales network
- Integrated risk management
- Sign up through local co-op gins or PCCA staff
- PCCA Marketing Team is responsible for selling the pool cotton
- Guidance and oversight from Marketing Pool Committee
- Cotton sold to U.S. and foreign textile mills and cotton merchant trade
- Farm program benefits related to marketing are processed and distributed
- Initial payment advance is set by PCCA's Board of Directors
- PCCA pays full loan premiums
- Quality adjustments for additional premiums per market as available
- Periodic progress payments are made throughout the year as cotton is sold
- Year-end dividends declared and book credits/cash are allocated

## Online Marketing

- PCCA grower-owners have access to electronic marketing through The Seam®
- PCCA and The Seam guarantee the performance of every trade
- Direct involvement by marketing your cotton
- Instant access to the world's largest network of buyers
- Offers can be sold at a firm price or by counter offer



## PCCA Direct

- Convenient, easy-to-use system
- Work directly with PCCA or your co-op gin to sell your production
- Grower-owners can use PCCA's mobile app
- Provides the option to offer, counter offer, message or sell from the mobile device or through the local co-op gin
- Can also receive price and sale through PCCA staff



## Forward Contracts

- Fixed basis contract-bale only
- Place good-till-cancelled (GTC) available
- Eligible for LDP payment
- Contract participants receive any dividends allocated to that division
- You have the opportunity to take advantage of rising markets prior to or at harvest

Deferred payments are available on all marketing options.

**For further assistance or information, contact PCCA at 806-763-8011.**

# *Marketing Pool*

West Texas | Oklahoma | Kansas

Sign In/Sign Out Period

March 1-31, 2019

## *PCCA's Pool Delivers*

PCCA's Most Popular Marketing Option

Acre-Based Production

Superior Long-Term Results

Ownership and Cooperative Marketing Power

Expert Marketing Team and Global Sales Network

Integrated Risk Management