

# FIELD & FIBER

A Plains Cotton Cooperative Association Publication

Volume 52, Issue I

Spring/Summer 2022

## The Greatest Gamble

Five Generations of Playing the Game

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OUR MISSION

To ensure the long-term profitability of our grower-owners through value-added marketing programs and through services to their gins.

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FROM THE PRESIDENT



## A Letter From The President

Each season brings both opportunities and risks. This season is starting with plenty of both. As I write this letter, 99% of our growing area is in an advanced phase of drought, and cotton futures are at an 11-year high. Grower decision-making is tricky given the high demand forecast for cotton and grains coupled with a problematic production outlook for the U.S., the world's largest structural exporter.

As your marketing co-op, we also must make difficult decisions about expected crop size and the market outlook. We utilize years of marketing experience, data and analytics to make the best choices we can in real-time. Our goal each day is to refine our methods and deliver the best value to our grower-owners.

PCCA's board is committed to providing growers with products and services that help enhance their profitability. Toward that ambition, PCCA's Board of Directors recently completed a comprehensive review of the company's strategies to be the preferred marketer for growers in the Southwest U.S. Over the next couple of years, PCCA will offer growers more choices to market their cotton and enhance our services to cotton gins. In addition, the board also committed to more direct communication with our grower-owners. That means increased use of technology and personal communication from our staff and board.

This issue of Field & Fiber® is focused on how the cotton industry is continuously improving to provide future generations the opportunities to sustain their families' farming heritage. In the same spirit, PCCA and other regional cooperatives are doing their part to ensure that future farmers have access to the markets, products and technologies that will make that goal possible.

Sincerely,

**Kevin Brinkley**  
President and Chief Executive Officer

P.S. We were pleased that Field & Fiber received the Chairman's Prize at the National Council of Farmer Cooperatives 2022 Annual Meeting. PCCA is fortunate to be able to tell the stories of our growers through this world-class publication.



# Rain, Rain, Come This Way!

## La Niña is Dry Year’s Culprit

By **Blair White**



The La Niña weather conditions are giving PCCA’s service area a hard time in true sister-like fashion this year. Unlike her brother El Niño, La Niña frequently indicates drought across the southern U.S. Agriculturists now find themselves trying to settle the score with La Niña and plead for moisture to fall on cotton fields across this region of the Cotton Belt. Unfortunately, Texas, Oklahoma, Kansas and New Mexico can expect drier-than-average conditions for the majority of 2022.

Brian Bledsoe, Chief Meteorologist for KKTU in Colorado Springs, Colorado, and for Brian Bledsoe WX, LLC, takes a realistic approach to forecasting weather. Growing up on a farm and ranch provided him with a unique perspective on delivering straightforward information that can impact farming and marketing decisions for the year. He shared that this year precipitation is not expected until summer.

“While the La Niña event will likely weaken after springtime, it may not completely go away. This may continue to make it tough on us for quite a while” Bledsoe said.

### How Weather Forecasts are Created

Predicting what a year of weather will encompass takes a combination of information from a computer model and the knowledge of meteorologists. Long and short-range forecasts are influenced by factors such as global sea surface temperatures, pressure patterns, seasons and more. Other tools that play a role include Doppler radars, weather balloons, offshore buoys and satellites. However, there would be no weather forecasts without meteorologists applying their expertise and experience to such large amounts of data.

“Many times, that experience is going to trump what the computer models say depending on what the weather pattern is,” Bledsoe explained. “You have to have confidence in what you know at times in order to go against the computer model solution for the betterment of the consumer who is looking at your weather forecast.”

What about forms of weather prediction such as the Farmer’s Almanac? This centuries-old tool does not use modern computer models to make its claims. Rather, the forecasters and editors at the Farmer’s Almanac study environmental elements and astrological events, putting them into a mathematical formula that has been evolving since 1818.

“The formula takes into consideration things like sunspot activity, tidal action of the moon, the position of the planets, and a variety of other factors,” according to the almanac’s website.

In either scenario, the formula for predicting the weather is this: gathering data and then applying human knowledge for interpretation purposes. No one can definitively predict or control the weather, but it is still important to keep an eye on it.

### What is La Niña?

The La Niña weather event was duly named for being the opposite of El Niño in the 1980s. According to the New York Times, El Niño was named in the early 17<sup>th</sup> century

by fishermen describing the presence of warmer water off the coast. The fishermen dubbed this weather pattern “little boy” as it usually took place around the Christmas holiday.

With La Niña’s atmospheric conditions, winter temperatures are warmer in the south and cooler in the north, and the possibility for a more volatile hurricane season increases. These years are historically full of extreme weather events as many have already experienced in 2022.

“The weather swings wildly in the Southern High Plains anyway, but when you factor in this La Niña episode, that usually consolidates all of that storm energy into one jet stream flow, one particular storm track,” Bledsoe said. “Wherever that jet stream goes, you see active and sometimes severe weather. Wherever that jet stream doesn’t go, you likely struggle with drought and strong wind, and that’s what we’ve been seeing.”

### The Current Situation

PCCA’s service area could use a timely and drenching planting rain. Is that what’s in the forecast? Unfortunately, present weather patterns and predictions are pointing toward no. Current conditions can be an indicator of what is to come.

“It usually works out that the areas that are dry right now will stay dry, and the areas that are getting moisture will continue to get moisture,” Bledsoe said. “When we don’t get moisture in the winter and spring, time rapidly runs out before the jet

stream moves north, during July and August. That’s when Texas turns out hotter and drier by and large. Until we see some large-scale change in the Pacific Ocean that will inevitably change our weather pattern.”

Bledsoe reports areas such as Southwest Kansas and the Oklahoma Panhandle may have a relatively higher chance of seeing more rain than West Texas and New Mexico, but those areas are also likely to continue to struggle with drought. Best rain chances and amounts likely will remain farther east.

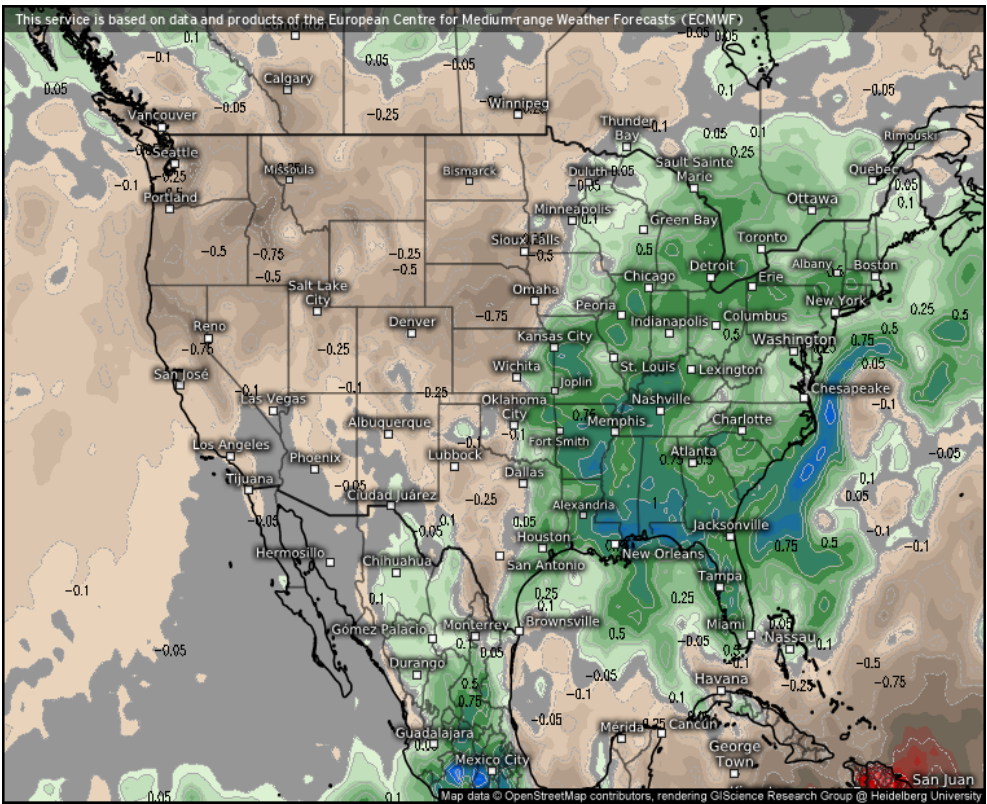
Higher-than-average seasonal temperatures could come this summer if seasonal transitions do not influence changes in the weather. Each day that passes without moisture will also lead to high soil temperatures. With a lack of groundwater, farmers can expect to see very dry conditions and likely a challenging crop year.

### Planning for the Future

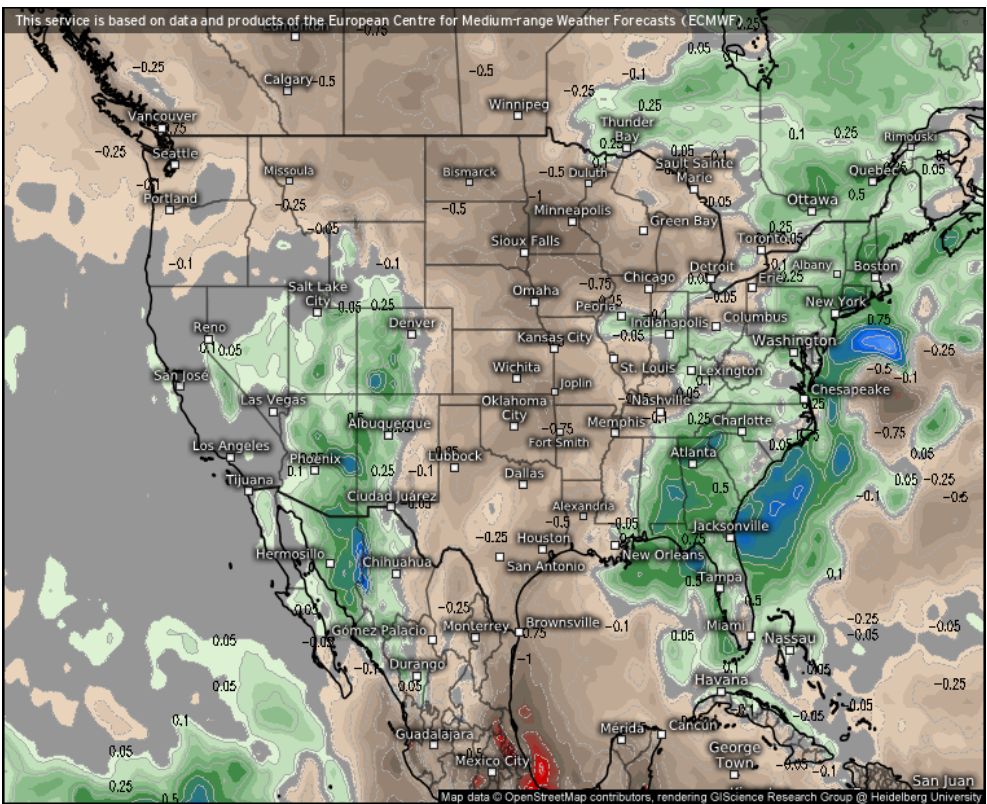
Maintaining a strategy during a less-than-cooperative weather season is important. There is nothing wrong with being optimistic about rain, but it is imperative to keep in mind that the rain may not be timely even if it does come.

“If you find yourself in this situation and you are planning for dry, continue to plan for dry until you start seeing some moisture,” Bledsoe urged. “If you go out there and are willy-nilly with whatever you are planting and your management strategy and you aren’t getting moisture, you are setting yourself up for a wreck. Being very conservative right now, especially with the way the dryness is going on, is definitely the way to go. Basically, my main message is a common-sense one. Don’t be banking on moisture until you start getting moisture in this pattern.”

Monthly precipitation outlooks for May and July 2022.  
Courtesy of Brian Bledsoe.



**Anomaly monthly precipitation (in)**  
Valid for May 2022



**Anomaly monthly precipitation (in)**  
Valid for July 2022





# PCCA’s Carlos Garcia Elected CCI President

By Jayci Bishop

Carlos Garcia is taking his cotton industry service to the next level as he was selected as the 2022 President of Cotton Council International. CCI is the export promotion arm of the National Cotton Council.

Garcia began working at PCCA in 1997 in the Maintenance Department while attending Texas Tech University. During that time, opportunities arose and doors opened in the Sales Department. Upon graduation he was offered the Export Sales position. Today, he is PCCA’s Export Sales Manager and also coordinates sustainability initiatives like the U.S. Cotton Trust Protocol, BCI and e3. He began his CCI involvement when he was selected to serve on its board in 2016. After three years on the board, he was elected to serve on the Executive Board where he entered into the officer rotation. His new role as CCI President shares similarities to his day-to-day work with PCCA.

“One of the main roles of CCI is the promotion of U.S. cotton to textile mills around the world, and that’s what I do on a daily basis for the members of PCCA,” Garcia said. “My focus now shifts primarily from Southwest Cotton to all U.S. cotton, something that even before my involvement in CCI was something I practiced. When I could not offer our members’ cotton on a specific inquiry, I always promoted cotton from one of the other U.S. cotton growing areas.”

CCI uses multiple approaches to promote cotton’s use in textiles.

“We work very hard on promoting U.S. cotton and its advantages to other growths,” Garcia said. “Not only that, but we also promote the benefits of all cottons versus man-made and other natural competing fibers. CCI has offices in most textile-consuming countries around the world, and the people in those countries have very good relationships with the spinners and end-users of our cotton. CCI also does a good job of en-

gaging brands and retailers, who ultimately decide what fibers they will use in their products.”

Enhancing sustainability programs is a top priority for Garcia during his time with CCI. Brands that consume U.S. cotton could stake their claim in demonstrating their use of climate-friendly practices to their end-user, he said. For growers, this begins by measuring and capturing the improved environmental footprint of their farming operations.

“I really want to get the U.S. Cotton Trust Protocol from the pilot phase to a completely up and running program that will provide and prove the advantage of a measurable, science-based, data-driven program,” Garcia said. “This will not only prove beneficial to the brands who can then market the sustainability story of U.S. cotton but for our producers that have supported and currently support our efforts to tell that story on their behalf. We hope that in time we not only retain and gain further market share in the global fiber industry, but also that participation in the U.S. Cotton Trust Protocol potentially adds value for our participating farmers’ efforts in telling their story.”

While Garcia’s commitment to CCI is significant, ultimately it will be to the benefit of PCCA and the entire cotton industry.

“It will continue to put PCCA farmers at the forefront of mill cotton demand,” Garcia said. “I’m fortunate that PCCA already enjoys a very favorable reputation in regards to quality and reliability. CCI only adds to that credibility. When mill customers think of high-quality, reliable, sustainable cotton, they’ll think of PCCA.”

At the end of the day Garcia will continue to devote his time and energy to PCCA’s grower-owners.

“While I am honored and humbled to serve as President of CCI, I don’t think it changes anything in terms of my responsibility to our industry or PCCA’s farmers,” Garcia said. “My role remains the same, promoting and creating demand for U.S. cotton by engaging our customers and explaining the benefits of using cotton.”

# Co-op Council Awards Deserving Individuals

By Aubry Heinrich

## Mike Yeary, TACC Cooperative Ginner of the Year

As General Manager of Midkiff Farmers Co-op, Mike Yeary has a trademark—he has improved the operations of every cooperative gin he has served. He was named the 2021 Texas Agricultural Cooperative Council Cooperative Ginner of the Year because of his dedication to increasing both profitability and ginning efficiency. He began his career as the General Manager of Progreso Co-op Gin and Farm Supply Store in 1995, where he was able to lead the gin to improve ginning productivity and increase the supply store sales. Yeary moved to Winter Garden Co-op Gin and Farm Supply Store in Batesville, Texas, in 2002. As the manager there, he continued to strive for advancement, resulting in triple the average number of bales processed each year at the gin. Yeary became manager of Midkiff Farmers Co-op and started making significant enhancements to the supply store and ginning capacity in 2013. He has continued his legacy of leaving things better than he found them in every role he has held. Each day, Yeary works to improve gin operations and increase turnout. Yeary’s impact shines in his dedication to enhancing the cooperative gins he serves every single day.

Photos Courtesy of TACC



## Jim Massey, TACC Cooperator of the Year

Jim Massey, President and CEO of Valley Co-op Oil Mill, was born and raised in Mercedes, Texas. He began his lasting cooperative career in 1975 after obtaining a Bachelor of Science in Animal Science from Texas A&I University. Massey has been married to his wife, Kaye, for 44 years and together they have two sons, Wade and Westin. After working as the General Manager of the Gulf Coast Cooperative Gin for 25 years, he joined VALCO in 2008 and was named President and CEO in 2013. Massey’s many contributions to the cooperative and commitment to VALCO are recognized by the industry. He is involved in his community and the cotton industry by serving several national-level organizations, including Cotton Council International and the National Cotton Council. Massey has also been a Ricardo’s Lions Club member and coached Kingsville youth soccer and baseball. His dedication to the cooperative and cotton industries makes him TACC’s 2021 Cooperator of the Year.



## Tony Williams, TACC Distinguished Service Award

Tony Williams, former Executive Vice President of the Texas Cotton Ginners Association in Austin, Texas, retired from TCGA in April 2022. After graduating from Texas Tech University with a Bachelor of Science in Agricultural and Applied Economics in 1984, he committed his career to the cotton ginning industry and began working for TCGA in 1988. As the Executive Vice President, he was responsible for advocating for Texas gins in legislative and governmental affairs, directing the financial operations and leading their annual convention and trade show. Under Williams’ direction, TCGA has focused on safety and regulatory compliance barriers for their gin members to create a more attentive and cautious industry. Williams is married to Lagina, and they have raised two children, Jayna and Jaxson. He currently serves on several industry boards and committees including Board Chairman of the Texas Cotton Gin Museum in Burton, Texas. The TACC Distinguished Service Award highlights Williams’ effective leadership and dedication to the industry throughout his time at TCGA.

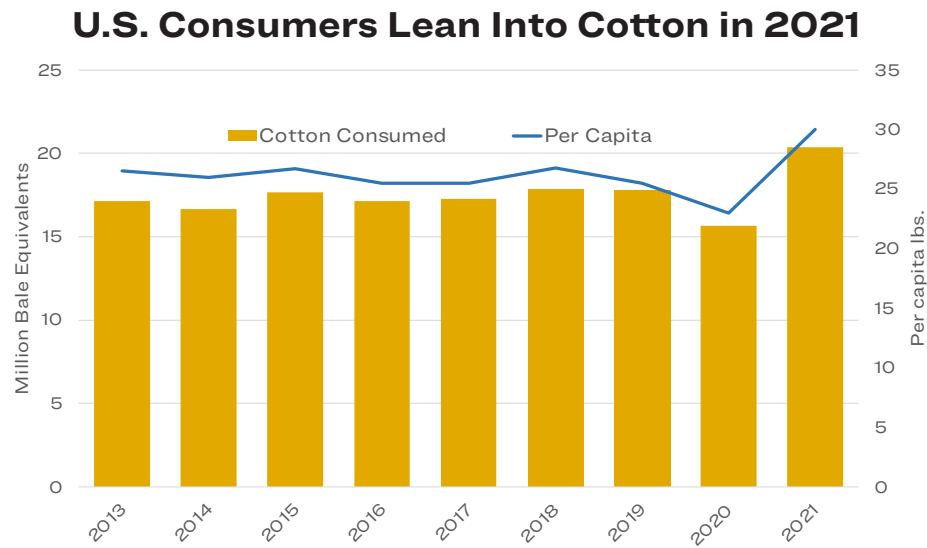




# Why So High- Can the Cotton Market Sustain These Prices?

If you have recently gone to the grocery store or fueled your vehicle, you’ve experienced inflation firsthand. In February, food prices increased 8% year-over-year while a tank of gas cost 47% more. The same economic conditions pushing food and fuel prices higher also affect the cotton market.

March ’22 cotton futures ranged from 55.52 cents per pound to 129.37 cents per pound during the life of the contract. Recently, cotton traded on The Seam for more than \$1.30 per pound. Why are prices so high? More importantly, do we expect them to stay high for the upcoming crop year?



### The Mighty Consumer

In the Spring of 2020, COVID-19 rocked the global economy and destroyed millions of jobs. Governments worldwide created massive economic stimulus programs to save the economy from total collapse.

Consumers used the found money to go shopping. They couldn’t go to restaurants or go on vacation, but they could buy clothes. Many people who had become accustomed to working at home switched their clothing style to more comfortable, cotton-rich clothing like jeans, sweats, t-shirts, and hoodies. The pivot to comfort wear, coupled with a growing preference for natural fibers, boosted cotton’s share of U.S. textiles in 2021. U.S. cotton textile and apparel imports rebounded 30 percent to 21.2 million bale equivalents in 2021, while synthetic product imports rose 15.5% during the same period. Home textiles benefitted as people looked for more comfortable surroundings during lockdowns.

The sudden surge in consumer demand for goods depleted textile manufacturers’ inventories. With little competition from burdensome stocks, manufacturers increased their prices, generating solid profits. However, it did not last.

Current cotton futures prices are causing textile mills to evaluate whether they can still make money on yarn. Where possible, mills increase synthetic fibers into their blends or just slow down operations.

### The Manufacturers’ Dilemma

Another consideration is the difference between current crop futures and new crop. The July contract is trading at a hefty premium to December. Known as an “inversion,” the higher nearby price compared to the lower December contract has mills wishing they could wait and price their cotton later. But not many have the choice to do so.

There is an old saying, ‘The cure for high prices is high prices.’ This year’s market has attempted to find the prices that will reduce demand, and those levels may be getting closer. That doesn’t mean that current crop July futures cannot continue much higher. Speculators could return to the market as buyers, exacerbating the supply shortage and squeezing the many textile mills that have yet to price their cotton. Outstanding on-call purchases, where mills have committed to buy but not yet called the price, are at record levels. Eventually, they will have to price or roll their purchases forward,

which will result in buying futures.

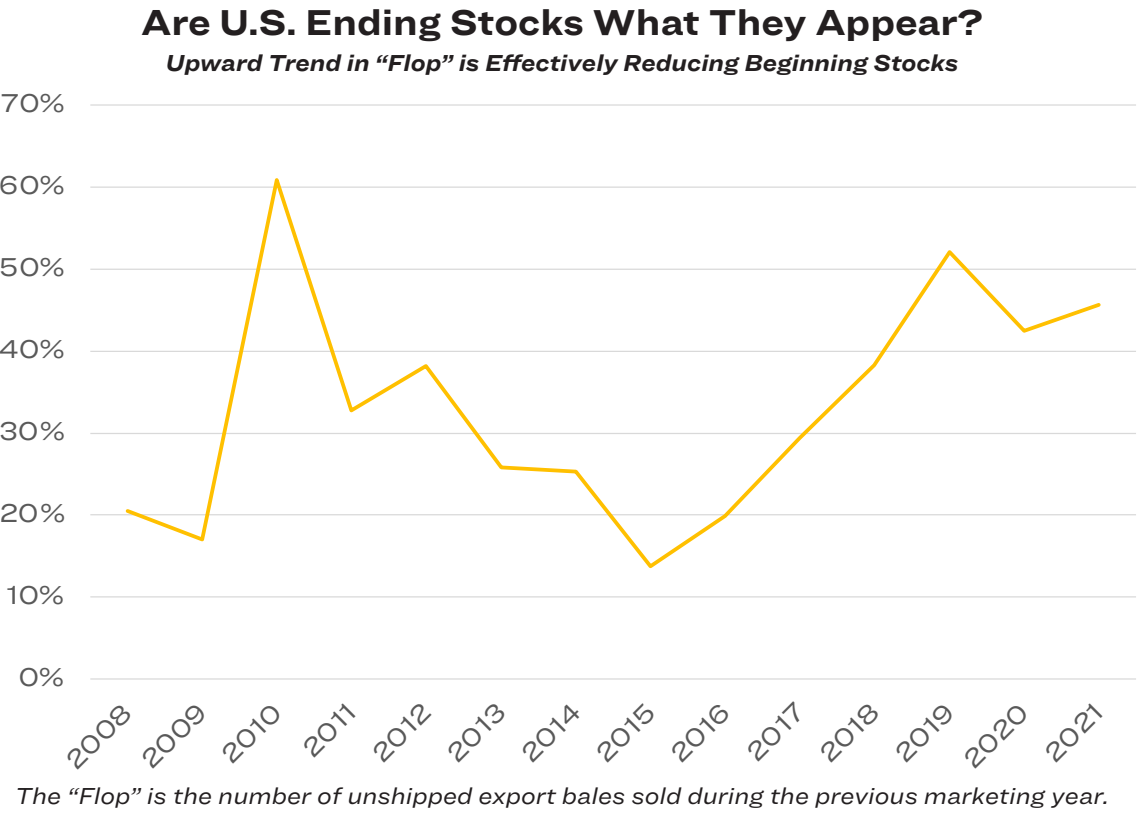
Fundamental analysis of the market also shows a mixed picture. Although the 2021/2022 marketing year started with plenty of cotton—most of it in the wrong place. For instance, a majority of the world’s ending stocks are in the Chinese Reserve and are not going anywhere.

USDA’s April World Agricultural Supply and Demand Estimates (WASDE) estimated that U.S. ending stocks (i.e., the total number of bales existing in the country on July 31) will be 3.5 million bales. That is a relatively tight ending stock level, especially given a significant amount of it is already sold. Outstanding (unfulfilled) export sales on July 31 are carried into the next marketing year, and this quantity is often called “the flop” or “carryover sales.” In tight years, much of the beginning stocks are already committed right out of the gate. With world demand expected to exceed supply, U.S. cotton is positioned to fill the gap.

### Which Way from Here?

Can the cotton market sustain this level? It looks like there could be enough cotton in the world on paper. But once again, it won’t be in the right hands, at the right place, or at the right time. And continued supply chain troubles should be added to that list. Many of the world’s mills are still running hand-to-mouth on lagged shipments. Logistics and downstream demand continue to play into very good support for prices. It is also the reason why the market is inverted. Essentially, the market is saying it needs cotton now, not later.

With the global supply and demand imbalance set to be tight again, the U.S. will be the residual supplier of cotton to the world. Short of a major geopolitical shock, tight, “flop”-adjusted ending stocks and a dim production outlook have set the stage for another year of high demand and low supply. And that could easily keep prices higher for longer.





# Broken Links: Repairing the Supply Chain, One Link at a Time

By **Aubry Heinrich**

When the chain on a bicycle breaks, the most effective solution is to replace it. Even though global supply chains seem just as difficult, replacement isn't an option. As COVID-19 disruptions continue to fade in developed economies, supply chain pressures still affect producers and consumers. The solutions are far from straightforward.

"The current situation is something we have never seen before," said Toby Tiechelman, PCCA Export Supervisor. "It is a perfect storm, or what some people have called an implosion of the supply chain. If something could go wrong this year, it has. We have been at the mercy of truckers, transload warehouses, drayman, steamship lines, importers, and even the weather."

## Identifying The Broken Links

"The growth of e-commerce and pent-up demand resulting from the COVID-19 pandemic has led to a huge increase in imports," Tiechelman said. "This resulting increase has led to a slow-down in the U.S. supply chain. The U.S. has cotton to fill the world's needs, but the factors slowing the supply chain have only allowed a minimal amount of cotton to trickle to the mills timely."

Many shipping containers sitting in ports, and other locations, are still filled with imported goods. The congestion at the ports creates delays in receiving finished products, making it difficult to export cotton from the U.S., according to PCCA's Traffic and Invoicing Department. These delays cause empty, available containers to be in high demand – another broken link to repair.

Obtaining shipping containers and chassis is challenging, with a limited supply at each port and insufficient capacity to get them processed. Chassis makers are trying to respond to the increased demand.

"It could take until 2023 before we have enough chassis to handle the surge in import containers congesting U.S. ports and inland rail ramps," Tiechelman said. "Manufacturers are currently building new chassis but are facing major hurdles with labor and material shortages."

Once the crop is out of the field, producers should still be prepared to adapt to industry-wide difficulties due to the congestion at the ports.

"Longer-term storage at the interior warehouse due to transload warehouse capacity has resulted in higher carrying charges," Tiechelman said. "Some loads may have a month or more of warehouse storage than originally expected. The cost of delivering the cotton to transload warehouses, ports and rail ramps has increased due to truck capacity, fuel costs, and fluid delivery schedules," he explained. "The lag in the supply chain has caused deliveries to the end-users to be delayed significantly."

Unfortunately, there is no quick fix for the problems shipping companies and manufacturers face. The effect of these strains is hitting producers' efforts to market as well as soaring input costs.

## How is it Affecting PCCA Grower-Owners' Daily Operations?

Logistics problems require growers to spend more time planning for supply chain lags that affect their daily operations such as getting parts or buying new equipment.

Equipment breaking down is a significant setback to a farming operation and could be exacerbated by complications in receiving parts. What was once a quick trip to the parts store and back to the field now requires forethought and pre-ordering parts for equipment that has yet to break down.

"Availability and resupply have been the most serious concern for our business," said Jay Hurst, with Hurst Farm Supply. "Products that we could normally get restocked in a day or two have been pushed out. We have seen up to three to four months to receive parts."

A good crop year, in combination with higher prices, might incentivize some farmers to order new equipment. But waiting has become the new normal.

"On the whole goods side, we have been told there is no availability for the next 12 months," Hurst said. "Even the

other equipment lines have had tremendous price increases with limited availability. With the large crop last year that increased demand, we have had to get creative to meet our customers' needs."

Farming retailers are adjusting their business models to better serve consumers dealing with the inefficiencies.

"We have been using other manufacturers to fill the gap, and where in the past, we would replace something, we have had to move to a repair mindset instead," Hurst explained. "We have become more creative and resourceful to fill some orders. Instead of only sticking to our normal suppliers, we must broaden our view and think outside of the box."

Hurst offers a bit of advice for farmers looking to get ahead of the potential setbacks.

"Maintenance is key," he said. "Order parts you will use based on your history of ordering. You know you will need bearings for the planter and sand-fighter, so go ahead and order them. I am not suggesting that we panic and buy everything we might need right now, but be ahead of the game. Have a little of what you will need."

## Staying Informed

While navigating the business logistics might seem daunting, it is vital for producers to stay informed. It's the best hope for mitigating the risks of an unstable supply chain.

PCCA's role in managing supply chain issues is to ensure every bale of cotton makes it to its final destination.

"We know that eventually, all of the cotton will be funneled out of the interior warehouses. We at PCCA work daily to ensure that our grower owners' cotton is shipped as efficiently and expeditiously as possible," Tiechelman explained. "If plan A does not work, we revert to plan B, C, D, or E."

While the supply chain is currently a bit rusted, there is no replacing it, only repairing what is broken; one link at a time.



**High input prices, a broken supply chain and little to no rain - there are endless reasons for farmers to throw in the towel. Who can blame them? At times, it can seem like everything and everyone is against them, even mother nature. The key to successful farming is resiliency. If farmers let their odds get the better of them each year, there would be no food or clothing. Who would society turn to if farmers said, “I can’t do it any more?”**

**J**immie Joy was born and raised in Artesia, New Mexico, and he started farming in 1966 when he was just 16 years old. What began as an FFA project for a couple of years in high school quickly became a lifetime profession. He went on to graduate from New Mexico State University in 1972 with a Bachelor of Science in General Agriculture, emphasizing agronomy.

“I think it has always been a part of me to farm,” he said. “My dad and grandad farmed and all that. I mean, that’s the life I pretty much knew. When I first started, I had quite a bit of support from a bachelor uncle, my dad and my mom. They encouraged me to kind of make my own way.”

Joy is a fourth-generation farmer, and both sides of his family have a farming history in the Pecos Valley of New Mexico. After growing up exposed to the trials and tribulations of farming, he ultimately valued the freedom that came with it.

“You get the opportunity to work for yourself,” he said. “I always felt like I was behind because I did most of it myself. But then, when you stop to think about it, it’s all mine because I didn’t have to share it with anybody else. That’s pretty much the philosophy I’ve used through the years.”

He continuously worked through his production obstacles with the same philosophy and a positive attitude, leading to a successful farming operation where he remained in charge.

He has now been farming for 56 years and experienced the many highs and lows of living this lifestyle. Most producers tend to the same area all their lives, commonly farming the land passed down for many generations. Joy has the unique perspective of farming the same ground he grew up on before moving to farm in a different climate.

Joy moved his family and his farming operation to Roscoe, Texas, in 1996. He, his wife, Kaye, and their three sons, Zachary, Tanner and Nikolas, began a new chapter of their lives, leaving generations of New Mexico farmland to his brother, Jack Joy.

“My wife was raised here in Roscoe. Her mom and dad lived here, and her dad farmed one of the farms that we now own,” Joy said. “So, that’s how we ended up in Roscoe. We needed to be closer to her parents.”

The move was not without its differences. According to Joy, the water source is the main difference between farming cotton in the Pecos Valley of New Mexico and farming cotton in the Central Rolling Plains of Texas. When he moved his operation to Texas, the luxury of irrigation was not an option, meaning he could no longer complement what mother nature so sparingly provides to grow his crops.

“In New Mexico, we had irrigation, and we were blessed with pretty good quantities of water. Well, basically here in Texas, you pretty much start planting when we get the moisture. My basic knowledge of farming comes from my years out there,” he explained. “I had farmed out there previously for 30 years, and it was quite a transition. On the property out there, we raised cotton and alfalfa hay primarily. Then we moved here and it was a whole different concept.”

His confidence in his farming practices pushed him through the transition of farming in different conditions. No matter the problem, Joy was able to overcome it. When asked about the struggles he faced after moving, he explained that he relied on the information he already knew while learning Texas. Joy did not have to face his new

# CAN'T NEVER THE MANTRA OF A FARMER COULD



By **Aubry Heinrich**

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land alone. For his family, working in the field was a family affair.

“I have three sons who helped me while in high school, and then they went off to college,” he said. “We tried to teach them, you know, you have an opportunity when you farm and work for yourself. We taught them to do the job correctly and all that. If you tell somebody you’re going to do something, you do it.”

On their farm, Joy and his wife raised their sons to be honest and truthful, and they both set examples of tenacity and hard work.

“It’s primarily been me and my wife, Kaye. She’s gotten to be a pretty good hand. I started her out running the boll buggy or the module builder,” he said. “Of course, you know good labor is hard to come by, so she has gotten pretty good. I was always running the stripper faster than she could run the boll buggy or the builder, but we always got it done.”

They never let the trials of farming get the better of them. Joy is active in his community, having served on the Central Rolling Plains Co-op Gin Alternate Board and is a participating member of the Texas Farm Bureau.

This mindset of being able to accomplish anything holds steadfast for Joy and his family. He faced his biggest obstacle yet in 2020. Cancer is a trial of life that many know too well, and Jimmie Joy is no stranger to the diagnosis. On his 70th birthday, Joy was diagnosed with cancer and has faced several complications since.

Surgery to remove a brain tumor left Joy paralyzed on the right side of his body. After spending two weeks in the hospital and three weeks in a rehabilitation hospital, he was still working on reaching a new normal. Yet again, Joy did not let his odds get the better of him.

“When I left there, I was still in a wheelchair, but I hadn’t regained most of my upper body. I went from using a wheelchair, to a walker and up to using a cane,” he said with pride. “It has been a journey. I’m still doing a lot of that. I have many different complications from all the treatments, and radiation mainly has given me a lot to deal with.”

A tremendous amount of physical therapy, many trips to Lubbock and Abilene for appointments and a great

support system gave him back his ability to walk. Joy had several people, along with his family, encouraging him through his recovery. He found like-minded people in rehabilitation and a physical therapist who helped Joy regain his balance and never let his attitude stumble.

“It was one of those, you go in there, and she was always upbeat and all that. She said we don’t use the words ‘I can’t do that,’” he explained. “I mean, she was just that way, so I really felt she helped me a lot.”

Learning to walk again at the age of 70 is a fantastic display of Joy’s tenacity. It is a testament to what is possible if “I can’t do it” isn’t an option. He is now able to walk into a room with the pride of knowing his hard work and persistence have paid off. The long days in physical therapy and rehabilitation have had a tremendous impact on Joy’s perspective.

“I get down sometimes and frustrated. But, spend three weeks at Trust-Point and you will see 35-year-olds that have things a lot worse,” he explained. “They are in a chair or motorized chair, and they’re never going to get out of that. So, you know, I’ve become more thankful for what I can do, and that’s a different outlook on things, I guess. I wouldn’t say I don’t worry about it, but I don’t linger on what you can’t do or what you can.”

Joy was able to prepare for planting his 2020 crop. However, his diagnosis and treatments halted his plans, and he was unable to plant it in time. The farming community of Roscoe came together to help Joy maintain his farming operation while he was recovering.

“They told me after surgery it would take about six weeks to get back to normal,” he said. “Well, it didn’t work that way. I had a couple of neighbors that were really great. They came in and planted it.”

With help from some area farmers, Joy is able to remain active in his farming operation today. He still frequents the Central Rolling Plains Co-op Gin to stop by, have a cup of coffee and check in on the progress being made during the season. He then makes his rounds to check his fields.

“I’m one of those guys that doesn’t have a plan to retire,” Joy said. “You just

keep farming until you can’t, I guess, and that’s what I am doing.”

“I’M ONE OF THOSE GUYS THAT DOESN’T HAVE A PLAN TO RETIRE. YOU JUST KEEP FARMING UNTIL YOU CAN’T, I GUESS, AND THAT’S WHAT I’M DOING.”

He finds happiness in spending time with his four grandkids and showing them around his farms. To young children, it might seem like just a patch of dirt; however, as any farmer knows, it is much more than that. It is Joy’s life work and a testament to how far he has come and what he has faced to get there.

Like any occupation, each year will have its trials. The biggest problem producers are facing today is the uncertainty of how outside events will affect their operations, Joy said. From high prices to labor shortages and everything in between, there are many repercussions from unrelated events farmers must be able to navigate.

“You don’t think about how much things that go on will affect us,” Joy explained. “I think it is a real big challenge. You know, it has been a real eye-opening experience.”

From the blue jeans we wear to the food we eat at the dinner table, a farmer is responsible for making it possible. Producers must be tough and tenacious if they are going to make it in this world. There are many trials and tests ahead of them this year; however, letting the circumstances get the better of them is not in their blood. Much like Jimmie Joy, they must face their challenges head-on - with confidence; it is possible to overcome.

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**“With that said, over the long run, I’d still argue that those producers who aggressively manage their fixed costs do the best financially and have the most staying power when variable costs seem out of control.”**

# Walking a Tightrope: Economic Sustainability in Farming

By **Aubry Heinrich**

**C**harles Blondin was the first man to walk across the gorge just below Niagara Falls in 1859. He is the greatest tightrope walker of all time, performing that history-making trek 17 more times. However, after completing the stunt once, the act of simply walking nearly a third of a mile on a rope became mundane. He added a flair to his performance in his later jaunts across the gorge, once carrying his manager on his back as he crossed from one side to another.

Farmers have to walk a tightrope that not even Blondin would want to attempt. The tremendously fine line of sustaining an operation in this year’s farming climate does not leave room for forgiveness. Every producer must maintain their operation’s stability while balancing the weight of high input costs, a lag in the supply chain and little to no moisture.

Bart Fischer, Ph.D., is well versed in the trials and tribulations of farmers. He was raised in Southwest Oklahoma on his family’s cotton, wheat and cattle operation and remains active in that operation today. He obtained bachelors’ degrees in agricultural economics and business administration from Oklahoma State University. He then went to Cambridge University for a master’s in environmental policy before graduating from Texas A&M University with a doctorate in agricultural economics. Fischer had a hand in developing both the 2014 and 2018 Farm Bills and served as Chief Economist to two chairmen of the U.S. House Agriculture Committee.

Today, he is the Co-Director of the Agricultural and Food Policy Center at Texas A&M University. He is also an AgriLife Assistant Professor of Agricultural Economics and serves as Senior Advisor for Federal Relations in the Office of the Vice Chancellor.

“We’ve all heard the quote from President Kennedy,” Fischer said. “‘The farmer is the only man in our economy who buys everything at retail, sells everything at wholesale, and pays the freight both ways.’ That quote rings true, now perhaps more than at any other time in our nation’s history. Supply chain disruptions and skyrocketing input costs are wreaking havoc on producers’ ability to cash flow this year. I

would argue that the availability and cost of inputs are the number one factor impacting economic sustainability for farmers. With that said, in our part of the world, drought is also playing a major factor again this year.”

No matter the year, producers are working to make the right choices to maintain their operations for many generations to come. So, what does it mean for a producer to be economically sustainable?

“As a practical matter, I think it means something different for each producer. No two farms are alike – and no two sets of financial statements are alike,” Fischer said. “From my perspective, it’s about making sure that risk management tools meet the needs of farmers and ranchers and help them weather the risks they face so they can stay in business to do it all again next year.”

Congress provides a safety net for our nation’s producers to help catch them when the year’s circumstances get the better of them—providing farmers with staying power. The farm safety net, including Federal Crop Insurance and the Farm Bill programs, was created by the U.S. House and Senate Agriculture Committees. In particularly tough years, these risk management tools help many farmers stay in production and give their operations the much-needed support to make it to the following year. Fischer and his colleagues at AFPC inform Congress and USDA on the realities of farming, making them aware of the struggles farmers are weathering and ensuring the decisions they make have producers’ best interests in mind. Risk management differs by operation so farmers are provided with options to fit the needs of their business.

“There are a number of ways we work to help farmers and ranchers,” he said. “First, we are laser-focused on helping Congress ensure that the policies they craft in Washington, D.C., will work for

producers on the ground. Second, we also develop tools to help farmers tailor risk management for their operations. AFPC provided decision aids to help analyze base and yield update options in the 2002 Farm Bill, ACRE vs. DCP decisions in the 2008 Farm Bill, the one-time ARC/PLC election in the 2014 Farm Bill, and the annual ARC/PLC election in the 2018 Farm Bill.”

The cost of production and producer margins are on all growers’ minds. It can be stressful and frustrating to think the income from selling your crop will not cover the inputs it took to produce it. What will it take for farmers to sustain themselves going forward?

“There is no silver bullet, and I think most farmers already know the answer(s). It’s about managing their inputs,” Fischer explained. “It’s about making sure the next Farm Bill continues to deliver a farm safety net that works, including maintaining Federal Crop Insurance. With that said, over the long run, I’d still argue that those producers who aggressively manage their fixed costs do the best financially and have the most staying power when variable costs seem out of control.”

There are several things causing input prices to rise and it is not very likely for them to come down any time soon. However, some of the same factors increasing the cost of production are also causing the price of cotton to soar.

“Ten years ago, if you told me farmers wouldn’t be excited about growing cotton at \$1 per pound I would have told you that you had lost your mind,” Fischer said. “Farming has always been an expensive and risky business, with razor-thin margins, but never have producers had to put so much on the line just for the prospect of breaking even.”

In combination with high cotton prices, using the risk management tools and programs provided is important for produc-

ers to combat shrinking margins. By being mindful of business loans, equipment depreciation and labor costs, farmers can balance some risks of high variable costs. Being frugal with inputs such as fertilizer, water and fuel can help farmers minimize their costs while still trying to maximize crop production.

There is a finesse to economic sustainability in farming. Not everyone possesses the skills needed to be successful in this industry; however, with planning it is possible.

“It takes a special sort of resilience to scratch a living from the earth. It’s only natural to want to be very aggressive, too,” Fischer explained. “I’ve heard older producers – including my dad and grandpas – preach over and over about the need to balance aggressiveness with a personal fiscal conservatism that ensures they can survive the next downturn.”

Farmers carry the weight of clothing and feeding the world on their shoulders while they walk the tightrope of success each year. Finding a balance in their operations is the key to economic sustainability and staying power.

“We throw the word sustainability around a lot,” Fischer said. “It gets used a whole lot right now in the context of carbon sequestration and mitigating climate change. My perspective is this: if you want a farmer to be able to do all of those other things that provide societal benefits, then the focus first has to be on making sure they can stay in business. Most people who are not involved in production agriculture have no idea how much money it takes to operate a full-time, commercial-scale family farm. In a very real sense, every other use of the term ‘sustainable’ hinges on the farm or ranch first being economically sustainable.”



Bart Fischer, Ph.D.  
Co-Director of the Agricultural and Food  
Policy Center at Texas A&M University



# Fertilizer Markets on the World Stage

By Jayci Bishop

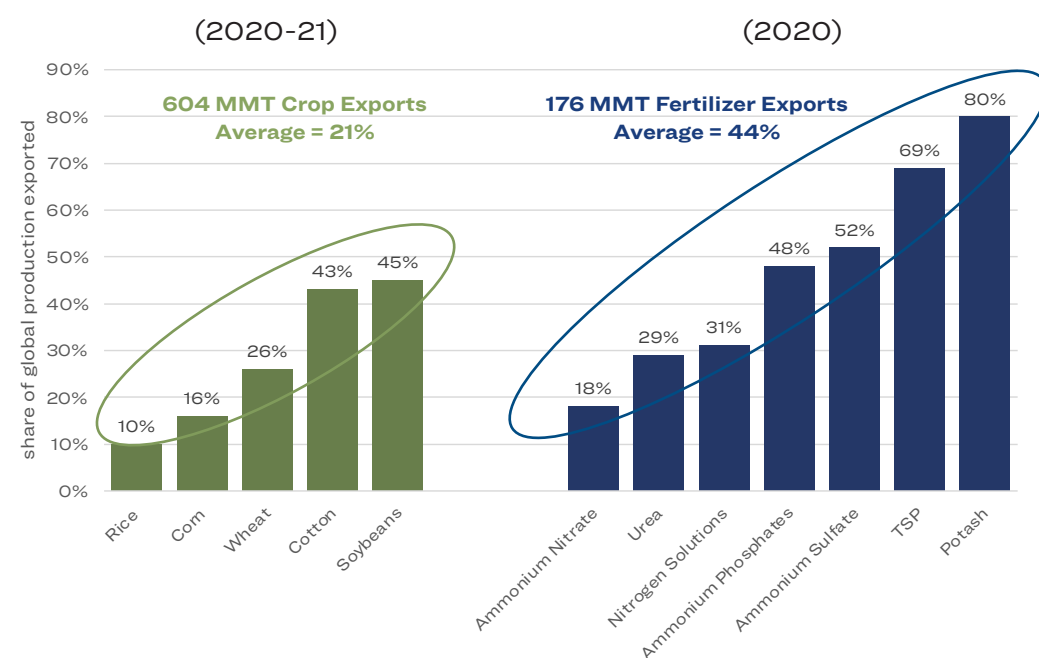
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What chemicals should I use? How will this affect my bottom line? Will the weather cooperate to make it all worth it? What is driving the high cost of production? Input prices and operation decisions are at the top of everyone's mind as planting begins. But perhaps the most frustrating is fertilizer.

Prices have reached historically high levels for all major crop nutrients. Globally traded commodities, including nitrogen, phosphorus, potash and potassium are the most commonly used in Southwest crop production. Corey Rosenbusch, President and CEO of The Fertilizer Institute, gave insight into current market conditions and expectations for this year.

"It has been a confluence of issues and circumstances that have arrived at the marketplace we are currently at," Rosenbusch said. "I think it all builds on a foundation that fertilizer is a globally traded commodity. If you think about crop production in the world, about 20% of all crops that are grown around the globe end up being exported. Fertilizer is more than 40%."

Share of World Crop and Fertilizer Products Traded



In fact, 90% of all fertilizer consumption occurs outside the U.S. It is a resource-dependent input because supplies of phosphate and potash depend on where the elements exist in the world. In terms of agricultural commodity and fertilizer markets, what happens in foreign countries matters to the American farmer: COVID, natural disasters, global geopolitical events, trade disruptions and supply and demand all play a role. The COVID-19 pandemic both impacted the supply chain and labor availability, according to Rosenbusch.

"We specifically saw these major manufacturing facilities that have to go through preventative maintenance defer that maintenance. We call them turnarounds," Rosenbusch explained. "They are usually down two to six weeks and bring in numerous external contractors on the site. Obviously, nobody wanted to do that during COVID, so in 2020 I think we saw zero turnarounds where we usually do six to seven plant turnarounds per year. That went all the way up to 13 in 2021. So, we had a significant amount of supply that came offline."

Coupled with weather problems, the market impact and supply chain disruptions become even more apparent.

"We had a freeze event in Texas, Oklahoma and Louisiana, and Hurricane Ida that came up through Louisiana, and 60% of our nitrogen is produced in that Oklahoma, Texas, Louisiana corridor," Rosenbusch said. "Not only did it shut down actual fertilizer manufacturing plants, but it also had a big impact on natural gas. That matters because natural gas is the primary feedstock for nitrogen fertilizers. About 85% of the cost on average of producing nitrogen fertilizers is natural gas. When the natural gas also got taken offline because of some of those weather-related events, it further impacted the situation."

Natural disaster weather events are as unpredictable as geopolitical shocks. You may not realize it, but Chinese policy, a plane hijacked over Belarus and even war can affect the inputs you implement for your farming operation.

"It started with China. We aren't exactly sure why they adopted the policy, but they decided to ban all exports of fertilizer," Rosenbusch said. "The rumor was it was because of the Olympics. China uses coal instead of natural gas to produce fertilizer. When the Olympics rolled around, they wanted nice clean skies and didn't want coal production clouding up and creating pollution for foreign visitors. China produces 40% of the world's phosphates and about 30% of the world's nitrogen. They are the number one fertilizer producer in the world, and when they block all exports, you have a significant impact on the world's supply."

Continued on page 22



Likewise, it impacted fertilizer when an airplane was hijacked over Belarus, resulting in sanctions. Rosenbusch explained that 20% of the world's potash is in Belarus, and that event impacted world supply. He said we are only beginning to see the impact of the Russia-Ukraine War, as Russia is the second-largest fertilizer producer globally. Russia also exports 10% of processed phosphates, 23% of ammonia, 14% of urea and 21% of potash.

"We are just at the beginning impact of what is going on in Russia. Not only is there a natural gas issue because about 60% of Europe's nitrogen production uses Russian gas, but then there is also the fact that Russia is the second-largest producer of fertilizer in the world. So you take their 20% of global potash supply and add it with Belarus' 20%, and you have effectively removed almost half of the potash supply out of the marketplace. They are also significant nitrogen, anhydrous ammonia and urea exporters. About 23% of the world's urea exports come from Russia. Recently, Russia announced they were going to ban all exports of fertilizer products. We are at the beginning of watching this play out."

### Fertilizer Demand

Global events undoubtedly impact the supply and markets of fertilizer and other commodities, but this still begs the question – what about demand?

"When commodity prices are high and farmers are able to see there are some advantages of planting more and growing more, that in turn leads to more demand and more inputs, including fertilizer, to maximize those yields while the market is strong for their commodities – which then leads to higher prices," Rosenbusch said. "Very traditional supply and demand."

The supply chain can routinely face disruptions even before recent events. Prices notwithstanding, fertilizer supply will be there for farmers to use this season.

"Fertilizer moves by truck, rail and waterways," Rosenbusch explained. "We see the slightest disruptions can really affect supply, and certain pockets of the country experience disruption. That's not a new concept. It happens every single year. I have been told by most of our member companies that they feel

for the spring there is supply to meet the demand that farmers want. With that said, there's always going to be special circumstances and situations where that might not be the case for a very specific county or retail location."

The price of fertilizer is the bigger problem.

"There is some complexity in whether the product will be there," Rosenbusch said. "It's not because there's not availability. As a matter of fact, we saw imports of fertilizer grow last year so I mean there's more supply coming into the country, but if farmers did not pre-buy or commit to their prices in the fall, they are going to have to look at the spot market and buy spot in the spring. We could be in a situation where the market conditions are so high that they will choose not to buy it."

Rosenbusch recommends contacting your local retail agronomist and trying to plan ahead for your operation.

"Make sure you are in regular communication because they are staying up to speed on all these issues and they can help create a nutrient management plan that will ensure farmers can still achieve the yield and objectives they want," Rosenbusch explained. "When possible, try to plan and commit as early as possible so your retailer can make sure they have the supply and product availability. With prices the way they are today, it also creates an entire complexity around finances. So, having cash and capital to invest in inventory at these higher price levels can often result in perhaps retailers not being able to procure the supply they need without the guarantee that it is going to be used by the farmer."

The Nutrient Stewardship Program is another tool growers can utilize to make sure they use inputs efficiently and effectively.

"The whole purpose is for farmers to apply nutrients at the right source, rate, time and place," Rosenbusch said. "We want farmers to soil sample, use variable rate application that guarantees that they are being as efficient as possible with the crop nutrients that they are applying. Now more than ever is when farmers should be deploying those stewardship practices to make sure that there is no waste in fertilizer purchases."



Corey Rosenbusch  
President and CEO  
The Fertilizer Institute

### What is The Fertilizer Institute?

TFI is the leading voice of the fertilizer industry, acting as an advocate for fair regulation and legislation, a consistent source for trusted information and data, a networking agent, and an outlet to publicize industry initiatives in safety and environmental stewardship. TFI's mission is to represent, promote and protect the fertilizer industry through the following strategic initiatives:

- To foster a prosperous fertilizer industry through legislative and regulatory activities at the federal, state and local levels
- To effectively address issues impacting TFI member companies
- To share knowledge about the fertilizer industry with members, government and the agriculture industry on issues related to fertilizer and the farm economy (The Fertilizer Institute)

### Nutrient Stewardship Program



# Conservation Results in High Cotton

By Blair White

PCCA grower-owner Randall Bankhead of Roscoe, Texas, was recently named the 2022 Southwest High Cotton Award winner. According to Farm Progress, a High Cotton Award nominee must be a full-time grower located in the Cotton Belt who makes a profitable return from their operation. They also must use environmentally-sound production methods to consistently produce a high-quality, profitable crop.

Bankhead truly exemplifies all of these characteristics in his farming operation. He uses stewardship practices, including cover crops, crop rotation, and no-till on his half-irrigated, half-dryland farm. Bankhead is the fourth generation to manage his family's more-than-100-year-old farm. His son-in-law, Chase Schuchard, is also a key part of the operation.

When Bankhead started farming in 1984, he thought sustainability and soil stewardship were mechanical issues, but it did not take him long to realize these were actually agronomy problems.

"In '84 all we had was a plow, contour farming and terraces," Bankhead explained. "That is how we controlled erosion. We started doing cover crops just to keep the sand from blowing. I didn't realize that was the tip of the iceberg of what really conservation farming was. There is so much more to it than that."

Like an iceberg, more lay below the surface in the form of soil microbes. This discovery led to the creation of his specific blend of farming practices. Diversity is a crucial component of Bankhead's operation, ranging from center pivot and drip irrigation systems to crop rotations, various types of cover crops and even specific fertilizer regimens. He also plants a variety of cottonseed each year.

Bankhead's regenerative land preservation helps ensure the ground will continue to produce for many generations of farmers to come. His agronomy practices embody the mission of sustainable and responsible cotton farming. PCCA congratulates Randall and the Bankhead family on this well-deserved award.

\*Interview excerpts are taken from Spring 2019 interview with the Bankhead family



Want a closer look at the Bankheads' operation?

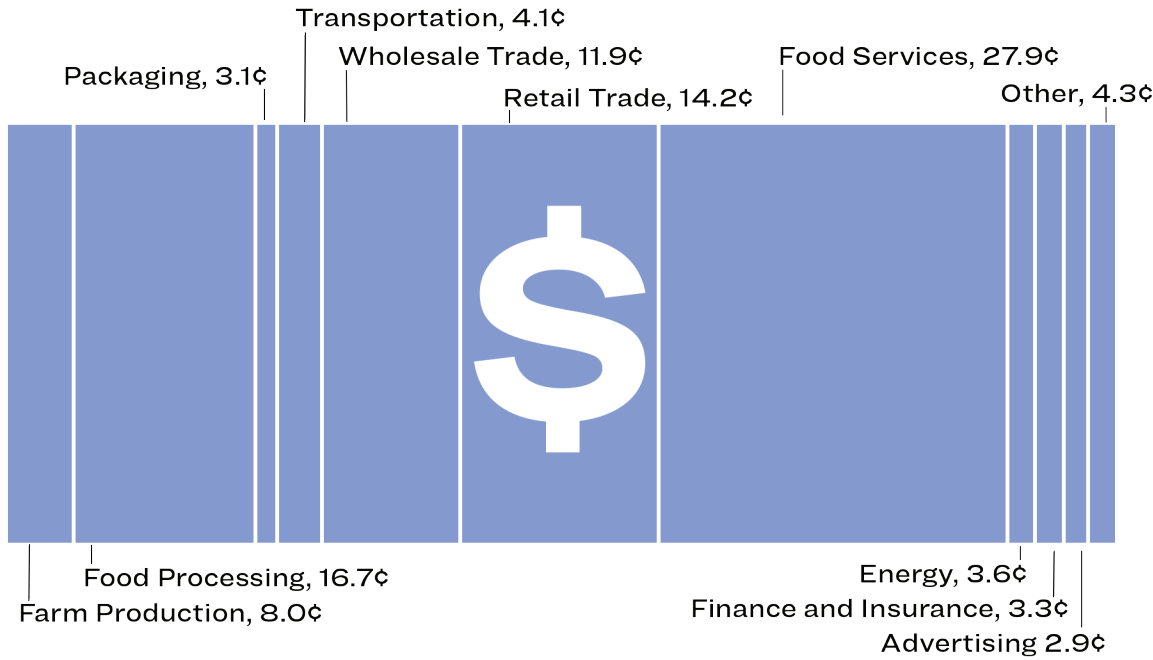
Scan the code to read the PCCA article, Bankhead Family: Grounded in Faith and Conservation



# Harnessing The Power of The Food Value Chain

By **John Park, Ph.D.**

2020 Nominal Food Dollar by Industry Group



Note: Other includes two industry groups: Agribusiness and Legal and Accounting.  
Source: USDA Economic Research Service, Food Dollar Series data product.

The agriculture and food sectors of our national economy are impressive and admired across the world. Together, farming and its related industries (food and beverage manufacturing, food and beverage stores, food services, eating and drinking places, textiles, apparel, forestry and fishing) contributed \$1.055 trillion to the U.S. gross domestic product in 2020 (USDA, Economic Research Service). Approximately 5% of GDP comes from these industries, and 0.6% of GDP from farming itself.

Gross Domestic Product, or GDP, is the total market value of all the finished goods produced in the country. Agricultural production, as an industry, contributes a seemingly small amount to GDP because much of our agricultural production is not “finished” for human consumption. We typically include the other relevant industries when reporting the significance of agriculture to our economy because they are intrinsically connected. Farming then, is at the start of an important value chain.

**The agricultural value chain**

Consider wheat as it leaves the farm. First, it may find its way to a grain elevator for storage. Eventually, it may be transported to a flour mill, processed into flour, and packaged into a five pound sack. This sack is sold and delivered to a grocery wholesaler, who then sells and distributes it to a grocery store in your neighborhood. You purchase that wheat and you receive satisfaction from the purchase. Economists call this satisfaction utility, and it basically has three characteristics: form, place, and time. In other words, instead of growing your own kernels of wheat, you purchased a sack of flour (form utility) at a nearby grocery store (place utility), at your convenience on a Saturday morning (time utility). It took many businesses to create that value for you, and they work pretty hard to help you see that value as an advantageous exchange for your money.

We eat our food in the form we like, at a place we like, and when we like, and we are willing to pay this marvelous value chain for that satisfaction. But as you can imagine, not all industries are paid equally. Generally speaking, for each dollar you spend on food in the U.S., you pay 27.9¢ for food services, 16.7¢ for food processing, 14.2¢ for retailing, 11.9¢ for wholesaling, 8.0¢ for farm production, and 21.3¢ for a variety of other activities. At first, it may not appear fair that farmers, who actually grow food, only receive 8¢ from each dollar spent on food, but we have to recognize the value we receive from a meal at your favorite restaurant, a pizza delivered to your door, or from having food products stored in your pantry. But just because farm production adds less to the final food dollar doesn't mean that farmers can't capture more profit from the value chain. Through cooperative ownership, farmers are able to share in the profits generated by commodity storage and processing, food manufacturing, retailing, and other market activities.

**Ownership through cooperation**

For example, a cotton farmer might participate as a member-owner of her local cooperative cotton gin. Her bales might be sent to a cooperative compress for storage. Her cooperative gin might send seed from her bales to a cooperative oil mill for further processing. Furthermore, bales are sold on electronic marketplaces, cotton is spun into yarn and milled into textiles, and cottonseed

oil can be manufactured into cooking oil. All these activities can be performed by cooperatives. Our cotton farmer then owns more of the system than just farm production. Through cooperative ownership, she participates in generating and receiving profits from other parts of the value chain.

This is important because one of the greatest challenges to farm profitability is that consumers don't buy cotton lint or cottonseed. They buy cotton in the form of t-shirts, blue jeans, and athletic wear. They buy cottonseed in the form of cooking oil and potato chips and other prepared foods. If you compare the price per pound of cotton lint received by a farmer to the price of a shirt or a pair of blue jeans, it is clear that there is a lot of economic value added to cotton beyond the farm. Limited to their farm production, farmers would be unable to capture value from this chain of economic activity. Through cooperatives, however, farmers are able to own the firms that create additional value and reap a portion of the profits.

In that sense, you might consider that a farmer's participation in cooperatives represents an investment in the infrastructure of our agricultural marketing system. Without this investment, would these market services and products be provided? Probably, but not in all market locations, and not under all market conditions. When these assets are cooperatively owned by farmers, there is a greater likelihood that services will be available in a bad crop year, and that profits will be shared in a good crop

year. In short, cooperatives help farmers to manage the pressures that diminish profitability and bring greater prosperity to farms and communities.

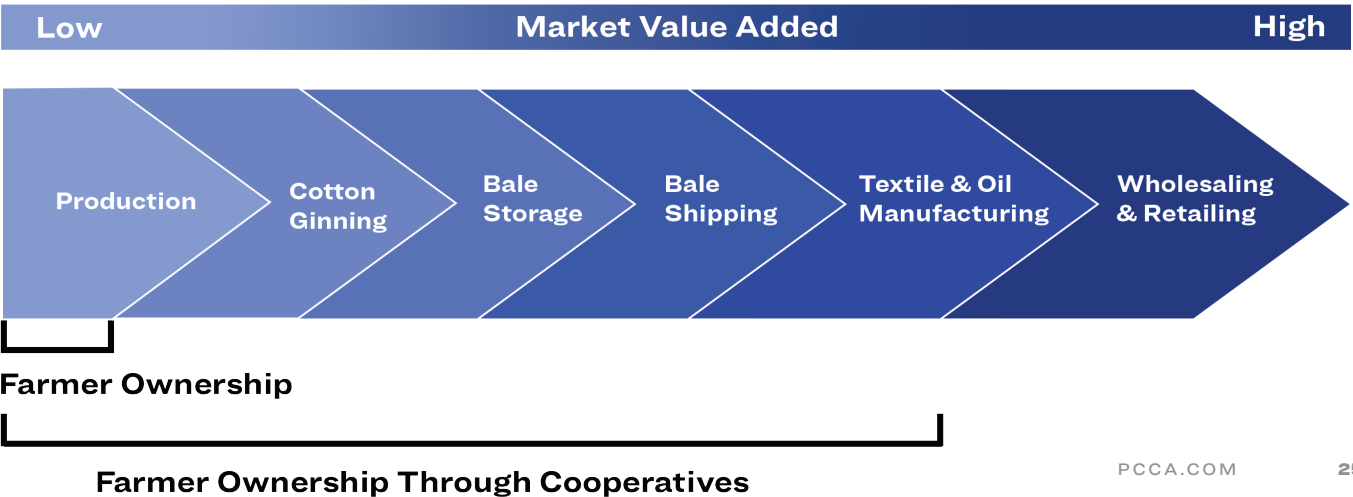
**What about consumers?**

Consumers in the U.S. spend about 10% of their disposable income on food (the least of any country). Clearly, farmer ownership provides stability and efficiency to the agricultural and food sectors of our economy. We all benefit as a result.



John Park, Ph. D.,  
Roy B. Davis Professor of Agricultural Cooperation  
Texas A&M AgriLife Extension Service

## Cotton Value Chain





# The Greatest Gamble

Five Generations of  
Playing the Game

By **Jayci Bishop** Page **26**



**Gam•ble:** (verb)  
to play a game for money or property,  
or to bet on an uncertain outcome.



**Gambling can be an acquired taste. While many people have no interest in placing bets or playing tables in Las Vegas, some consider it a way of life. The Ordner family in Robstown, Texas, counts it as their livelihood. For them, farming truly is the greatest gamble with the greatest reward - working together with family.**

**F**ive generations have farmed the same piece of land. They cultivate hard work, strong values and family ties along with the land they till. William Ordner grew up on a farm and began his marriage and farming operation in 1963.

"I got married in 1963, and my father-in-law wanted to know how I was going to make a living for his daughter," Mr. Ordner said. "I said don't worry about it; I will take care of her. He and I became real close. Anyway, I started farming, and I was going to make sure I took care of my wife. So I had an Exxon station, a pest control business and 160 acres of land. That's where I started. Through the years, I have added quite a bit, but farming is in me."

Mr. Ordner's family, farming operation and pest control business have grown in the years since. He and his wife, Virginia, have three children: Lisa Suggs, Scott Ordner and Amy Wright. He is proud to have his kids involved in the family business just as he was.

"Thank goodness they all live right here close. That's the way we wanted it. Farming is a good life, and agriculture has come a long way," Mr. Ordner said. "It has its ups and downs. I can remember in 1953, and it was my mother, myself and my older brother. My dad made a sled to pull behind the tractor. We sat on the sled and picked our cotton. We got one bale out of it, and it went on to be a mattress. Nowadays, a lot of these younger generations need to go through what we went through. They would appreciate what they have now."

Scott and his brother-in-law, Shane Suggs (married to Lisa), joined the farming operation after graduating from Texas A&M University. Together they formed an entity in 1999 and have taken the reigns of the family business. The two manage the farming side of the operation while Mr. Ordner tends to the cattle ranch.

"We raise primarily milo and cotton, about half and half," Scott explained. "We rotate them. If it is cotton this year, it will be milo next year and vice versa. We do raise corn and some wheat occasionally. All dryland, no irrigation. We are too close to the coast for any irrigation - the water is too salty. We are totally dependent on mother nature to make a crop. We've been fortunate over the years. We've had some bad ones, we've had some hurricanes, but all-in-all we have been very blessed and very fortunate."

The stakes are high with the unpredictability of farming, but it is crucial to continue moving forward no matter what the year brings.

From left to right: Scott Ordner, William Ordner and Shane Suggs.



"I don't really gamble," Scott Ordner said. "I'm not a big 'go to Vegas' person, but I think as a farmer you are the biggest gambler in the world. We have crop insurance, which helps if we have a bad year. If we are all in and lose a crop, it is not an all-in save you, but it will help."

Agriculture and farming are ever-changing - no longer are the days of two-row equipment or hoeing weeds by hand. The introduction of chemicals for weed control, as well as the boll weevil eradication program and resistant seed, have evolved farming practices and helped increase productivity.

"That has helped our yields over the years, and it has changed a lot," Scott said. "There's a lot more money put into it. It costs a lot more per acre and a lot more to harvest. Fortunately, the market has allowed us to make a little money at it and keep going and growing."

As the cost of farming increases, the Ordner family is doing all they can to make financially economical decisions.

"Every day we try to do things to mitigate our input costs," Shane explained. "We are very mindful of what things cost, where we need to spend money, and where we don't need to spend money."

Today the Ordners implement GPS technology and utilize prescription planting and fertilizer application.

Shane explained that both equipment and seed or chemical technology have played a role in their higher input costs.

"The biggest change would be input costs I would say," Shane said. "Tractors that were under \$100,000 are now over \$400,000. We are typically doing the same thing with those tractors. The technology that has been introduced into the farm is a lot more than we had 25-30 years ago."

Just as technology has evolved, so have the farmers that utilize it. Mr. Ordner remembers his grandfathers farming with mules and the old Oliver tractor his dad and uncle shared. He also noted how much the business side of farming has changed since he first began. His theory is to try to save enough money from last year's crop in case of a drought or short crop the following year. This is an area where a chance shouldn't be taken.

"It's not just getting on a tractor and going to plow; you have a lot of decisions to make nowadays," Mr. Ordner said. "With the regulations, prices and everything else, farming is the biggest gamble that you can get into. You have a lot of money tied up in farming - you plant it and hope like everything you can make a crop to be able to pay the bank off. You can't halfway do it. You have to do it right to begin with and that pays off. There

ain't a whole lot more you can say, that tells it all right there."

Marketing their crop is one of the many decisions the Ordner family makes with careful consideration.

"PCCA has been very helpful for us on our farm, as far as marketing cotton," Shane said. "We are fortunate that our gin is a participating PCCA gin. We are able to market cotton on The Seam®, sell contracted cotton and we can participate in the pool. So, PCCA has brought us a large spectrum of ways to market our cotton."

Like rolling dice, farming inherently comes with a lack of control. Being at the mercy of many unpredictable factors requires a love of the way of life, along with steadfast faith.

"When I first started, it was one of those things that I thought I had control over," Shane said. "You thought you could control every aspect of it. At first you hate it and then you learn to love it because you don't know what each day brings. You don't know if you are going to be in a flood or drought, you just don't know what to expect and you have to learn to enjoy that part of the farming aspect where it is not a routine, mundane, day-to-day job."

Values like hard work, honesty, stewardship and a love of the land are integral

Continued on page 30



**“With the regulations, prices and everything else, farming is the biggest gamble that you can get into. You have a lot of money tied up in farming – you plant it and hope like everything you can make a crop to be able to pay the bank off. You can’t halfway do it. You have to do it right to begin with and that pays off.”**

to the Ordner family and guide them in their day-to-day lives. Members of the family have a deep appreciation for the opportunity to farm and the way of life they have been afforded.

“It is important to know that land is no longer being produced,” Shane said. “It is one of those things that there’s no more being made so if we don’t take care of it, we have to manage our tillage practices and farming practices, so the land will be here to provide for everyone in the future.”

The future of the Ordner farming operation is their children. Mr. Ordner and Virginia are blessed with six grandchildren, two of whom aspire to follow in their dads’ and grandad’s footsteps and return to the farm after they graduate from Texas A&M University. Both Mason Ordner and Tristan Suggs appreciate all that growing up on a farm has instilled in them.

“What I like about growing up on the farm is the freedom and life lessons it has taught me as far as hard work and being able to make decisions for yourself,” Mason said.

“Working for them is pretty fun, but you aren’t just a normal employee,” Tristan said. “You don’t just get to go home at the end of the day and turn it off, you have to go home and live it at home a little bit.”

Mr. Ordner is proud of all his kids and grandkids have worked for and accomplished.

“I have no complaints,” Mr. Ordner said. “You know you have your ups and downs, and you’re going to have that anywhere you work very long. My wife and I are both very happy that they have taken an interest in the farm. Honesty would be the number one thing I tried to teach them, and don’t be scared to work. You can’t have anything unless you work for it. There is no problem there with them. I’m glad they have already taken over the

farm. I’m glad they stayed here and didn’t go somewhere else to work. I don’t know what I would do without my grandkids.”

Farming may be a high-stakes game, but for the Ordner family it is in their blood. Five generations have carried on the family tradition of playing the game of providing for the world, and winning. There is hope for the generations to come.

“The great pride that I take in farming, especially being with the family farm is that we farm on a piece of property that goes five generations back,” Shane said. “If you start with my son and go back to myself, my father-in-law and mother-in-law, her parents and then grandparents. There are not many businesses or things active today that you can say are five generations old. So it is a big part of the pride that I have, farming the land that has been in the family for five generations, and hopefully it will be extended to upcoming generations.”



WANT MORE OF THE STORY?

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From left to right: Tristan Suggs, William Ordner and Mason Ordner

# A Jack of All Family Trades: William “Mr.” Ordner

By Jayci Bishop

**Do you have someone in your life who you admire? Someone you aspire to be? A hero? The consensus on these questions and more in the Ordner family is clear – their patriarch, Mr. Ordner. He instilled in his descendants a love for farming and close-knit family ties that cannot be wavered, even by the toughest of odds. They were taught well and are fully prepared to carry on the family tradition and business.**

**“We didn’t just take over not knowing what we were doing. We learned a lot from Mr. Ordner,” Shane said. “Things have changed a lot since I began and he began. Looking at what he has been able to do, taking the land and making it productive, is probably the biggest thing we have learned from him.”**

**His grandchildren admire Mr. Ordner for what he has done and how far he has come. He taught them how to work hard and earn what they have.**

**“What I admire most about our dads is being able to communicate and work together so well,” Mason said. “The key to any partnership is the communication. They are able to make all these decisions together. For my grandfather, it would be his work ethic and his drive to get himself where he is today. While sometimes he can be a hard head, or however you want to describe it, it has done so well for him. He’s done so well for himself and I am very proud to be his grandson.”**

**Tristan added how he remembers growing up on the farm and seeing everyone in his family working together to get business done.**

**“When I was growing up, I got to spend a lot of time with my grandpa. Everybody else was in the field and we would be in the barn making some crazy project, or me making mistakes and him teaching me how to fix it or just cover it up,” Tristan said with a grin. “We had an old Ford tractor we had just got, and instead of putting gas in the gas tank, I put it in the radiator. We had to go dump it out and he taught me how to do all of that.”**

**From mechanics to life skills, Mr. Ordner raised his family to be trustworthy in all they do.**

**“Putting in a hard day’s work, staying until the job is done if we can,” Scott said. “If you start a field, and you’re 30 minutes or an hour from finishing it, you stay until you finish that night. Work ethic, honesty, the power of a handshake, doing business and word of mouth.”**

**Everyone, including Mr. Ordner, agrees that there is no better way to raise a family than on the farm and the lifestyle that comes with it.**

**“I’m still enjoying the farm and cattle life,” Mr. Ordner said. “I know that my sons and daughters will take over when my wife and I are gone, and I know everything will be continued just like we have.”**

**That is the best way to have it indeed.**



# PCCA MARKETING TOOLS

## PRE-HARVEST

### Forward Contracts

Forward contracts can provide excellent opportunities to lock in pricing on bales. Because these contracts require the delivery of committed bales, this tool is best suited for growers with proven production history.

- Growers can place good-till-canceled (GTC) orders to help them achieve their price target
- LDP payments are automatically processed\*

### Seasonal Marketing Pools

Marketing pools add value by capturing optimal market opportunities throughout the marketing cycle.

- Acreage-based contract eliminates weather-related production risks
- Managed by a team of professional traders and analysts, allowing you to focus on farming operations
- Our season-long pricing strategy reduces downside market risks
- Benefits from PCCA's global customer network
- Timely progress payments distributed as seasonal sales advance

Deferred payment arrangements can be utilized for all marketing options.

\*Loan Deficiency Payment, when applicable, for eligible cotton

## POST-HARVEST

### PCCA Direct

PCCA Direct provides the convenience of receiving competitive prices at your fingertips. It allows our team to reach out to you through the myPCCA app or your co-op gin with an offer to purchase your cotton.

- Sign up to receive and accept bids anywhere on the go with your mobile device
- Our Sales and Member Services teams can assist with any bids you request or receive
- Consult with a member of our marketing team to develop the best approach to cash marketing
- Growers can accept, reject, or counteroffer with the PCCA team through the myPCCA app
- LDP payments are automatically processed\*

### The Seam®

Marketing your cash cotton online allows you to maximize your price. The Seam provides access to virtually all cotton buyers eliminating the need for burdensome manual negotiations.

- Online access to the largest network of global buyers and textile mills
- Having your cotton offered continuously gives you opportunities to capture sudden rises in the market and capitalize on favorable price movements
- PCCA's Loan Advance Program provides upfront cash flow and allows you to trade the equity portion online in a separate transaction
- LDP payments are automatically processed\*

Questions? Call PCCA at 806-763-8011



# Year-Round Support

By **Aubry Heinrich**

**Farmers have plenty to do and not enough time to do it. As a result, we are constantly updating and enhancing our systems at PCCA to meet our growers’ needs throughout the year.**

“For the Cotton Services Department, that means providing the best support to grower-owners and their gins,” said Kelby Hunt, Cotton Services Manager. “Whether through Gin Services, Member Access, or just any time they call in, it means getting them an answer to their questions.”

Supporting cooperative gin operations ensures that PCCA grower-owners’ capture maximum value from patronizing their co-ops. PCCA assists gins by confirming accurate production information and processing gin patronage allocations and retirements to return to their members.

“Farmers have common ownership in PCCA and their gins,” said Kaimi Whitaker, Gin Accounting Manager. “They should feel comfortable knowing that we are providing their gins with the best software solutions in the industry, helping them run smoothly, efficiently, and successfully.”

Focusing on supporting farmers from any location is an important goal of PCCA. We listen to growers and gins to make our technology better each season. Your ownership in PCCA delivers tangible benefits.

“We are here to provide the best for our grower-owners and get the most money back in their pockets at the end of every day,” Whitaker said. “PCCA strives to extract and add value to each bale of cotton and return that back to our grower-owners.”

A major benefit to co-op gins is world-class support and access to PCCA’s Gin Workshop each summer. The workshop is a two-day, high-intensity event where gins get hands-on training in the improved software. Typically, dozens of software enhancements are added before each season begins.

“We assist the gins from the time modules are called in, to retrieving bale information needed for marketing and the gins’ bookkeeping processes like tax forms for their employees and gin patrons,” Whitaker said.

Once your cotton is out of the field, accessing production or payment information is a breeze. The Member Access website and the myPCCA app provide detailed records for bookkeeping. We have you covered whether you need production information, cotton statements, a check register, or anything in between. Our system also allows users to electronically sign documents and send them directly back to PCCA, saving you time. One more pro-tip—data for your crop insurance agent is just a few clicks away.

The latest information on available services and cotton marketing can always be found on the myPCCA app, social media, Field & Fiber, Cotton Market Weekly, Gin Services, and Member Access or give us a call at (806) 763-8011.

**PCCA provides a multitude of services to both grower-owners and co-op gins. Listed below are just a few ways PCCA adds value to your operation.**

## **Grower-Owner Services:**

- **Member Access**
- **myPCCA App**
- **PCCA Cotton Statements & Payment Registers**
- **PCCA Ownership Statements**
- **Scale Ticket & Harvesting Reports**
- **Individual Bale & Module Information**
- **Futures Prices & Marketing Alerts**
- **503 & Bale Quality Insurance Reports**
- **Industry News & Information**
- **Tax Documents**

## **Gin Services:**

- **Scale Ticket Software**
- **Module Tracking Software**
- **Cotton Marketing & Invoicing**
- **Mobile Applications**
- **Gin Accounting**
- **Inventory Control & Point of Sale**
- **Fuel Sale Processing**
- **Gin Patronage Solutions**
- **FSA Eligibility Information**
- **Payee Lienholder Information**
- **Tax Documents**



# Solving a 100-Year-Old Problem: The FyreHawk

By **Blair White**

Fire is the number one risk of disastrous loss in cotton bales and cotton warehouse buildings. Warehouse fires are often caused by a “hot bale” that comes from the gin, but they can also be sparked by an equipment failure or natural weather event. It is a problem as old as the cotton industry itself. The PCCA Warehouse team partnered with the Fire Chief in Altus, Oklahoma, to proactively address this issue after experiencing a large warehouse fire in 2020. After some inventive brainstorming and problem solving, The FyreHawk was born. This innovation is a piece of fire-fighting equipment made especially for forklifts in cotton warehouses.

Altus Fire Chief Joe Buchanan consulted with PCCA to help tackle the problem. He spent some time at the Altus warehouse examining the working environment and employees to develop ideas for the FyreHawk system.

“I hung out at the plant for several days and was thinking, “They either need a big fire extinguisher or a little fire truck,” Buchanan said. “I was trying to think that through. The whole time these lift trucks are driving by me with expert drivers, picking up cotton and putting it in the warehouse. I thought if we could build a fire-fighting box for them, then I’ve already got expert drivers and little fire trucks that fit in a warehouse. That’s how we came up with the FyreHawk idea. We developed it to fit on any forklift, but it is specifically designed to fit on the lift trucks PCCA uses.”

The FyreHawk significantly reduces the chance for warehouse fires to get out of control. Recently, PCCA’s warehouse in Sweetwater, Texas, extinguished a fire that resulted in only an eight-bale loss. Without the FyreHawk, it could have been much worse. The small but mighty fire-fighting machine helps contain the fire at its beginning phase and prevents its spread to other bale stacks in the warehouse.

“The FyreHawk has a 400-gallon water capacity and a 10-gallon foam tank,” said Forrest Doshier, PCCA Warehouse Compliance and Safety Coordinator. “Five gallons of foam is released into the water tank and pumped through a fire nozzle with a foam aerator attachment to apply the foam. One advantage of the FyreHawk is it was designed to be used with the bale clamps on our powered industrial trucks. This allows for the lifting of the FyreHawk to the top of a stack to apply the foam.”

While the technology to mitigate fire risks in the warehouses is innovative, it is up to PCCA’s warehouse employees to be able to effectively use the FyreHawk. Even with fire and smoke detection procedures in place, nothing can replace effective employee training. Each warehouse has a watchman that patrols the building and looks for any potential problems.

“There is a combination of classroom and practical experiences such as care, startup,

application of the foam and other hands-on exercises that employees attend,” explained Doshier. “It is an extra step that goes beyond regulatory requirements to protect the cotton, facilities, employees, communities and growers from the devastating losses that can come from a fire.”

There is also a reward system in place for employees who detect hot bales. Potential hot bales are identified and quarantined at the gin and then again at the warehouse. Nine hot bales have been detected by alert warehouse workers this year, which is nine warehouse fires that have been successfully avoided. PCCA has deployed FyreHawks at all warehouse locations. Being in the right place at the right time is part of the tool’s effectiveness. The FyreHawk is moved to where new bales are being unloaded so that it can be used to put out a fire within seconds if needed.

“Once the FyreHawk is at the scene, we will smother the area the smoke is originating from with foam and begin coordinating a containment plan with the fire department,” said Jay Cowart, PCCA Vice President of Warehouse Operations. “When a plan is in place, we will remove the cotton from the area around the fire and isolate the bales that are on fire. With the FyreHawk and the fire department, we will extinguish the fire and remove those bales. If a fire is not detected by our watchman, all of our buildings are equipped with automatic sprinkler systems. By stopping a fire in its early stages you will not trip the automatic sprinkler system, which will also prevent water damage to other bales that could come in the process of containing the fire.”

It is clear to see that the FyreHawk is a long-awaited solution for a problem that has cost warehouses too much over the years. PCCA and Chief Buchanan have put the new product through rigorous testing and refinement. While no one solution is perfect, there is little doubt that the FyreHawk is a vital tool in fire safety.

“I think it’s going to change the cotton industry,” Buchanan said. “We are solving a 100-year-old problem, and we are going to share it with everyone.”



# Ginners of the Year, Chris Breedlove and Craig Rohrbach

By **Aubry Heinrich**

## Chris Breedlove - National Ginner of the Year

Chris Breedlove, General Manager and CEO of Willacy Co-op Gin, received the 2021 Horce Hayden National Ginner of the Year Award at the 2022 National Cotton Ginners Association Annual Meeting in Houston, Texas. Each year, the award is presented to a deserving ginner who has provided outstanding leadership and service to the U.S. cotton industry.

A West Texas native, Breedlove obtained a Bachelor of Science in Agricultural Engineering from Texas A&M University in 1980. He then began working for Anderson Clayton in Arizona before moving back to Texas as the General Manager of Olton Co-op Gin in 2002. After working in the Texas Panhandle, Breedlove later became the General Manager and CEO of Willacy Co-op Gin in Raymondville, Texas.

He has devoted his entire career to the advancement of the U.S. cotton industry, beyond just the gins he has managed. Breedlove served as NCGA President in 2008 and is currently serving as Treasurer of the Texas Cotton Ginners Trust Board of Directors. He has been a faithful and dedicated advocate for the ginning industry, and has worked for the betterment of all cotton producers throughout his tenure.

## Craig Rohrbach - TCGA Ginner of the Year

Craig Rohrbach, General Manager for Parmer County Cotton Growers in Farwell, Texas, has been named Texas Cotton Ginners Association 2021 Ginner of the Year. Born and raised in the Texas Panhandle, Rohrbach attended Texas A&M University to obtain a Bachelor of Science in Agricultural Engineering. Rohrbach then returned to the agriculture industry as a field engineer for Anderson Clayton in California and transitioned to Continental Eagle in Alabama. In these roles, he leveraged his engineering skills by selling, designing and building gins worldwide.

His Texas roots, education and experience drove him to Farwell, Texas, in 2006 to serve as General Manager of Parmer County Cotton Growers. There he worked to increase the gin's production efficiency and profitability, utilizing his education and experience to implement innovative upgrades, including a new round bale unwrapping system.

Alongside his leadership within the U.S. cotton industry, Rohrbach serves as an active member within his community and the industry, currently serving as a board member for TCGA, a member of Plains Cotton Growers and a member of the Sacred Heart Catholic Church in Clovis, New Mexico. Rohrbach and his wife, Darcy, have two children, Cole and Riley. Rohrbach is a veteran ginner who exemplifies the dedication and honor of being the 2021 Ginner of the Year.

Apricot and blueberry fried pies

# Grandmother's Fried Pies

This dessert would be the perfect addition to your farmer's on-the-go meal in the field this planting season!

### Ingredients:

- **5 cups Flour**
- **4 tsp. Baking Powder**
- **2 TBS. Sugar**
- **1 tsp. Salt**
- **2/3 cup Shortening**
- **2 Eggs (Beaten)**
- **1 Large Can Milk**
- **Fruit Preserves**

### Instructions:

- **Mix dry ingredients**
- **Add shortening with beaten eggs and milk - Mix well**
- **Place in greased bowl and let stand in refrigerator 2-3 hours or overnight**
- **Pinch off some dough and roll very thin - Cut out circle**
- **Dampen edge**
- **Put on fruit filling and lap edges**
- **Pinch together and fry in oil until golden brown**

### HAVE A FAVORITE RECIPE TO SHARE?

We would love to share them! Please email them to [jayci.bishop@pcca.com](mailto:jayci.bishop@pcca.com) to submit your favorite recipe for feeding farmers in the field. You may just see it in a future issue of Field & Fiber!



Coffee in One Hand, Ambition in the Other:

# Celebrating Businesswomen in Agriculture

By Blair White

Family, community and the cotton industry are what tie small towns across West Texas together. These are also reasons farm wives and moms in Slaton, Lubbock and Tahoka, Texas, established businesses of their own. Raising kids and crops called deeply to these families, but so did giving back to the places they call home. We want to celebrate one of the strongest constants in agriculture: women. Whether on the farm, in the classroom, at home, or in a eight-to-five job, they provide vital support to their families and communities. The following business owners do this and more - they lead.



WANT MORE OF  
THE STORY?

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# Heirloom Flowers and Goods

“Invest in yourself. It may take a little time to get there – just try. People will reward you when you are passionate about something. That has been the case for us.” - Kandyce Parsons, Co-owner of Heirloom Flowers & Goods

A brand-new floral shop and gift store has been established in the small town of Slaton, Texas. Heirloom Flowers and Goods combines a full-service floral shop specializing in weddings and parties with a store offering unique gift items and home decor. Sisters and co-owners Danielle Talkmitt and Kandyce Parsons are living out their dreams, investing in their community, and supporting agriculture all while trekking the road of entrepreneurship. The duo has taken the 75-year-old Slaton lumberyard and transformed it into a budding business with room to grow.

As Slaton locals and farm girls themselves, Danielle and Kandyce are too familiar with the trials and triumphs of agricultural life. Their husbands work in production agriculture, and their children are growing up in the middle of the largest cotton patch in the state. The pair said this makes them uniquely positioned to serve their West Texas hometown.

“I think people really appreciate the fact that we are local and we come from farming families so they take great pride in that,” Danielle said.

They are also particular about the products they source for their storefront because of their hometown roots.

“For a lot of our linens and stuff, we do source mainly U.S. material and printed in Texas too,” Kandyce said. “I try to make sure that those fibers come from the U.S. We always try to have a lot of cotton-themed stuff because that’s who we are.”

Lending their unique talents and abilities to different parts of the business helps them provide quality services and item curation. Kandyce takes charge of the marketing, product sourcing, digital promotion of Heirloom Flowers and Goods and even makes handmade earrings. Danielle is the florist, event planner and customer liaison.

Beyond supporting their agricultural roots with their business, the sisters heavily invest in their community. The community of Slaton was extremely helpful when it came time for their business development.

“Our community has been outstanding in giving us the resources and the things we needed to open this business,” Danielle said. “We are very grateful for the town of Slaton.”

Opening a business on the heels of a pandemic and in challenging economic conditions has not come without its trials. Just as women in agriculture do, the sisters have taken each hurdle in stride and stress the importance of not letting fear get in the way of your dreams.

“Just do it,” Kandyce said. “What are you waiting on? Find someone and ask questions. We will tell you what we did. Most people will. Anybody that we have asked for help has helped us. ‘Better scared than never’; That’s been my motto the whole time because if I waited until I knew it all, I would never do it.”

“Find something that you are naturally good at and learn how to make a living at it,” Danielle said. “Plain and simple.”

Though the business is young, its future is as bright as Danielle’s flower arrangements and Kandyce’s earrings. The sisters look forward to giving back to the community and agricultural industry that has given so much to them over the years.

“This is our hometown,” Kandyce said. “There were places like this when we were growing up here and I remember going shopping with my grandmother and getting excited to go and being proud of what I bought there. I have memories of that. It’s cool to try to create that environment in our hometown. I hope people have memories here, too.”

Danielle Talkmitt and Kandyce Parsons



# All About Looks

All About Looks is a furniture store and interior design business in Lubbock, Texas. Page Heinrich and her sister, Linsey Cheatham, along with their mother Nancy Hart, established the business in 2003. What began as primarily a fabric business 20 years ago has turned into one of Lubbock’s premier design resources.

Not only does All About Looks help curate homes that are already established, but they can also assist in selecting finishes when it comes to building a home. From choosing paint, tile, and carpet to bedding, rugs, and bookshelf décor, there’s nothing they can’t stylize.

“We have always been willing to try just about everything, but our first love was the fabric part of it,” she said. “As you do that, you get more into a home and people ask if you can help them with this and that. So that grew into wallpaper and rugs, and now we are covering the whole gambit of anything that is considered home décor.”

Page and Linsey work hard to make sure cotton textiles are represented in their store and in the homes they decorate. Page’s husband and son both farm cotton on the South Plains, so she knows the importance of representing the industry.

“When you go to market, you meet with the mills specifically,” she said. “The fiber content of the fabric is very important to find out. Not all fabrics can be used for all things. Cotton is one of the most versatile though. Since I am married to a farmer, I always hone in on the ones that have some cotton content or are solid cotton. I always try to talk to the mills about where they buy their cotton and what they know about the cotton we grow on the South Plains.”

The decorating style at All About Looks is as diverse as its services have been over the years. Drawing on their educations and decades of experience, the sister duo takes great pride in their ability to adapt to the needs of any client and any home.

“When we first started the business, our mom was very traditional. We qualify All About Looks as having more color than not,” Page said. “We try to keep it broad so we can work with anybody and any style. We love to work with our customers. We really have fun with what we do and we see it as a relationship. We are happy whether they buy big or small from us – that they come in and shop and keep coming back.”

Being a farm wife and mom is just as important to Page as running her business. She works hard to represent the industry and support her family every chance she gets.

“Most importantly, it is being involved in their life and them being involved in my life,” she said. “We are all kind of involved in the agriculture field in some form or fashion. It’s really fun for all of us to see what parts of the world we have interacted with and bring it all back together. We feel as a family that we need to support each other in the different parts of what we do in our lives. So naturally, I feel anything made of cotton is of superior quality and is giving back to the family business that we have worked hard to grow for generations.”

For those looking to start a business, the entrepreneur offers solid advice.

“Do your homework,” she said. “Make sure that you know all of the ins and outs. Go talk to people that are actually doing the job. Ask them as many questions as you possibly can and find a mentor that is doing something similar or the same thing.”



Page Heinrich

ALL ABOUT  
**Looks**  
INTERIOR FABRICS  
& FRILLS





## The Home Place

Most farmers have a field they refer to as “The Home Place.” The same is true for the Askew family – though the phrase refers to much more than acres of land in this instance. Sharla Askew, Jynna Bass and Shea Askew make up the trio of The Home Place Boutique in Tahoka, Texas. Their goal is simple: to provide their customers and community with a place that feels like home.

“Our goal in buying at market and online and in all of the ways that we buy for our store is to try to maintain that atmosphere – The Home Place,” Jynna said. “We want people to feel welcome and comfortable here, and we try to do that through our merchandise. We sell clothing, a lot of jewelry, home décor, bags, accessories, a little bit of everything. We are a gift and home boutique.”

The fourth-generation farming family opened the business in June of 2016 in the midst of chasing their own children and teaching others. They select cotton and American-made products for their store every chance they get as well as support other small-town business owners. Through each opportunity, the ultimate goal is to be strong role models for their children.

“It’s important to me to show my kids that you have to work hard for what you get,” Shea said. “Sometimes the payoff isn’t always instant gratification. Sometimes you have to work hard and continually put blood, sweat and tears into something. It may not always be a financial profit, but there’s always a lesson to be learned and you can gain knowledge, integrity and faith to be able to do those things.”

Sharla, the matriarch of the family, said she is extremely proud of her children and the business they have built together. Whether in the field or in the boutique, there’s always more to a business than making money. It’s often extending the warm welcome and friendly smile someone else may need.

“We have met some of the neatest people and gotten to be close friends because of this store,” Sharla said. “Sometimes, it’s not about making money. Sometimes people come in and just want to talk, have a prayer request, or just a place they want to hang out or buy a quick gift. It’s been a

blessing to be here with the kids. Our family is unique because we farm together, we work here together, we go to church together, and we live in the same town together. It’s an honor that our kids want to do this. It’s a special place.”

The Home Place has allowed the Askew family to open its arms further and wider to the community of Tahoka. The town has supported the store for the past six years, and they want to support it in return by sharing the message of agriculture and the importance of family farming operations.

“It’s important for people to know that it’s not multi-million-dollar companies that are reaping all the benefit from this,” Shea said. “It’s the small-town families, and there are still little family farms that contribute to all of these things, whether it’s feeding America,

clothing America, or raising the kind of people that we hope take over and keep contributing to society.”

This way of life comes with its own set of unique challenges and rewards. Even so, investing in home and the future is all worth it in the end.

“There are some frustrations or annoyances that come up,” Jynna said, “but there’s always something to bring me back to earth, and remember there’s nothing I would change about our lifestyle and the way we are getting to raise our kids.”

Shea Askew, Sharla Askew and Jynna Bass



### As I grew...

*I remember when I was three years old, I would reach up to grab your hand. It was always rough and worn. You were always my strong and steady guide who would pick me up when I fell, and you were never very far away.*

*As I grew, I truly thought of you as my superhero. At six years old, I loved riding on your big tractor and I wanted nothing more than to be exactly like my daddy.*

*When I started helping on the farm at 12 years old, I realized you always worked harder than I ever knew. It gave me an appreciation for you and for the land that I wouldn’t fully realize until I was older.*

*I held the same appreciation when you never missed an important moment in my life. While I was in school, you always found time to show up and be my biggest supporter in all my activities. I always noticed how busy you were, but never truly realized the sacrifices you had to make to be there for me.*

*The realities of farming became more evident to me as I entered into independent adult life. I could see how the weather, finances and stress weighed on you. I realized then that you always carried the load so I didn’t have to.*

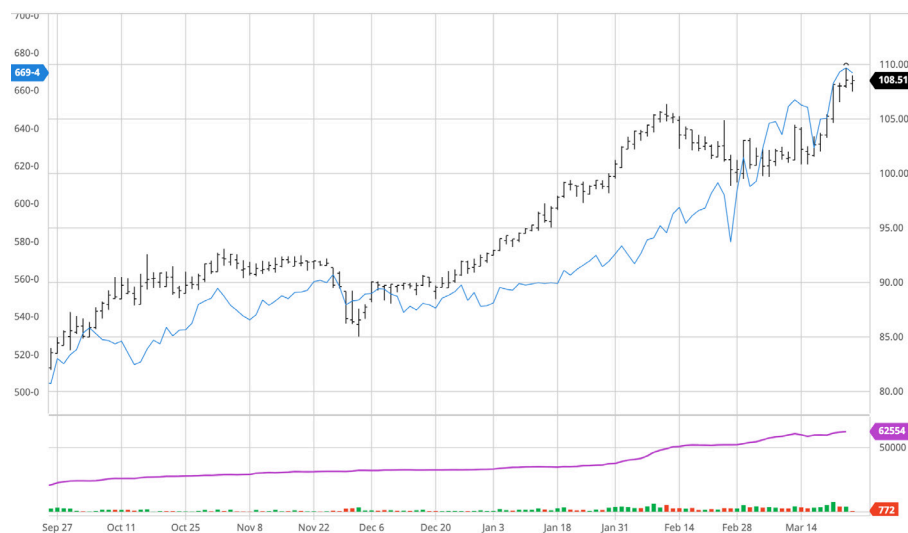
*As I now have my own children, I am prouder than ever to be your child. You raised me to know the value of hard work, to love others, and have faith in something bigger than myself. I want to raise my family just as you have raised me.*

*For all of this and more, thank you.*



# THE ECONOMICS OF FARMING ARE CHALLENGING IN THE BEST OF TIMES, BUT THESE ARE NOT EVEN THE BEST OF TIMES

By **Darren Hudson, Ph.D.**



“May you live in interesting times” is an old Chinese curse, not well wishes, and our times are interesting. COVID, subsequent supply chain issues, inflation, drought, and Russia’s invasion of Ukraine have all combined in a perfect storm of a mess and agriculture is in the center of that storm. How do we approach this time with clear eyes and a plan? We cannot control the world much less all the variables affecting our decisions. But we can focus on a few key variables that have the most impact.

**Energy Prices.** Energy prices undergird almost all a farm’s production expenses in one way or another. Figure 1 shows both oil and cotton price.

First, oil prices are quite high but not at unprecedented levels. Second, while energy prices have risen, cotton price has tracked that rise well. This seems little consolation as you fill your diesel tanks or purchase inputs derived from petroleum, but cotton price has been a relatively good hedge against oil/energy price changes over time. This year is no exception.

**Input Prices.** While energy undergirds most inputs, it does not tell the complete story. The American Farm Bureau Federation compiled the cumulative rise in input expenses since 2013 (Figure 2).

Across the board, production expenses are higher as one would expect. And, of course, not all expenses hit all farms the same. But using Hockley County Texas as an example, average lint revenue for cotton has not grown...at all...since 2013. There has, no doubt, been some good years in this time frame, and this year if a crop is produced will be one of the best in terms of revenue, but average per acre revenue has been stagnant since the early 2000s.

Managing input price risk is often difficult. One can prepurchase diesel, seed, chemicals, etc. But there is uncertainty in normal years of whether those prices would rise or fall prior to use. In 2022, there is the added uncertainty of whether those products will even be available for the growing season. And given the relative output price changes that have rapidly occurred, planning for inputs to match the ultimate crop planted adds to that uncertainty.

**Output Price.** The price of cotton has risen substantially (Figure 3) as well as other crops (corn is compared in the graph.)

Figure 1. West Texas Intermediate Continuous Nearby Contract Price (\$/barrel right axis) and ICE Cotton Nearby Continuous Contract Price (cents/pound left axis) from January 2006-March 24,2022

There have been (and remain) many pricing opportunities to secure much higher than average cotton price. Of course, one must make a crop to reap those returns. However, one cannot control the weather and playing a guessing game can leave you unprotected should prices change directions (and inputs are already committed, so price declines there will not help the bottom line).

**Risk Management Options.** So, what do we do? Price is high but so are input costs. There is a lot of uncertainty about weather, geopolitical events, inflation/recession and product demand, etc. Here are a few thoughts about options on the table and general approaches to risk management.

**Manage risk first, seek added profits second.** The continuation of your business is the single most important metric of success, not the few extra cents you might get by “playing the market”. Know where your breakeven is given input costs and expected yields. If you can price above that point, buy some protection either through futures or options. Even users of marketing pools can use puts to protect against downside

Cumulative Price Change in Farm Production Expenses Since 2013

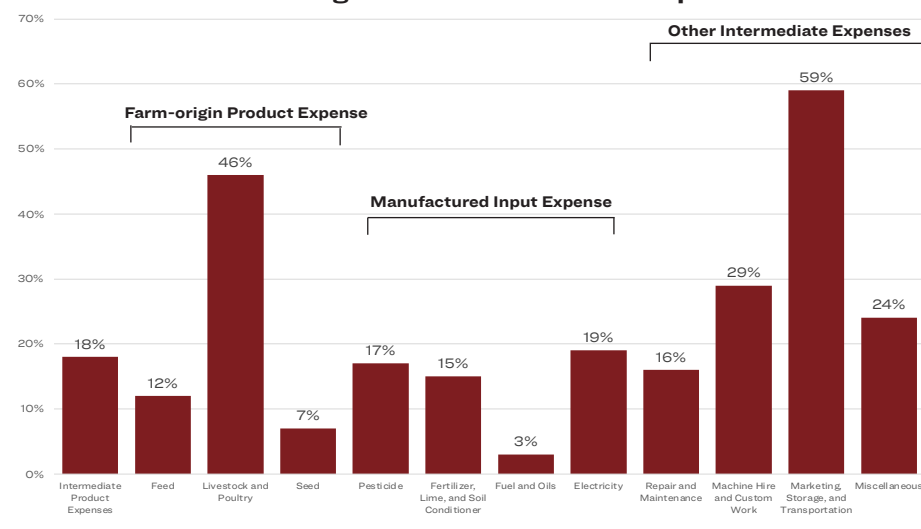


Figure 2. American Farm Bureau Federation Estimation of Cumulative Changes in Input Expenses Since 2013 (Source: USDA ERS data)

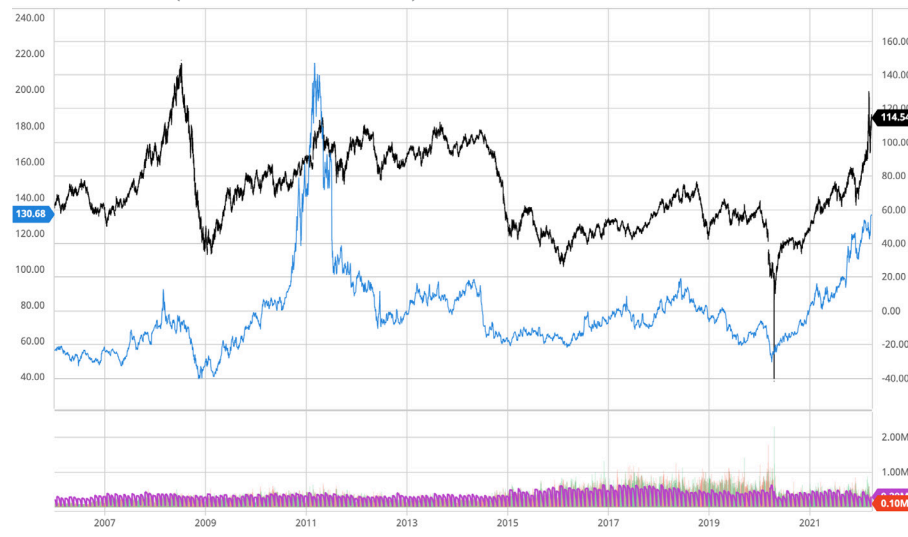


Figure 3. December 2022 ICE Cotton Futures Price (cents per pound right axis) and December 2022 CME Corn Price (cents per bushel left axis).

price moves that lower the pool average price or calls to capture upside price moves while capturing the pool average for base revenue. The bottom line is that you should not risk your base revenue in hopes of capturing that uncertain upward price move. This also goes for inputs. Purchase some base needs early. Locking in some of your needs also gives you a much better estimate of your breakeven price for marketing purposes.

**Pay your taxes and bank profits.** We are always tempted when a crop turns out great to attempt to hide our taxes through equipment purchases or other investments in farm expenses. If you NEED that new plow or stripper, get it. But do not make long-term investment decisions to hide taxes. Building cash reserves is a highly efficient way to reduce farm financial risk, dependency on borrowed operating expenses, etc., and allows the building of liquid assets for retirement planning. Your accountant will help you minimize your tax liability if that is what you tell them to do...don’t. Balance your short- and long-term planning to help you through the leaner times.

**Utilize insurance and challenge your agent for options.** The insurance program is not a “cure all” but is an effective risk management tool. Do not be complacent and “just do what I always do” when it comes time to buy insurance. Challenge your agent

about what options are available. Do not buy insurance you do not need to manage your risk or have coverage levels that have larger payoffs but higher premiums just to get the payoff. Again, manage risk first, think about added profits second.

It is difficult to talk about “general” rules of farm management. Individual tolerance for risk, physical farm characteristics, age and family dynamics, etc., all make individual decisions, well, individual. Challenging markets are nothing new to farming. But long-term success requires long-term thinking. We are often so caught up in the day-to-day and season-to-season challenges that we forget to think about how decisions today will impact future choices. We are also often “shamed” through peer pressure to believe that one-size-fits-all decision-making is the rule. For example, some farmers are content to place their cotton in the pool and focus on production decisions. Others actively market their crop through contracts, futures and options, etc. We should not feel that one mode is superior to others. Rather, different modes serve different purposes and have their own costs/benefits of use. Focus on those things that make the most sense for your operation, manage your risk the best you can, utilize the tools that are available to you, plan for your future, and seek help in understanding things when you need it. There is no magic formula for success but paying attention to these things can help you live in interesting times.



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# A Winning Combination: Regional Co-ops Add Value Through Vertical Integration

By **Blair White**

**They say teamwork makes the dream work. Usually this adage refers to sports, but here there is no stadium, court, or track. There are only wide-open fields of possibility and profitability ready for the taking, but they come with a catch. How do you find the winning combination of businesses to increase your profitability? By becoming vertically integrated throughout the entire co-op supply chain.**

Consistent use of vertical integration is the secret sauce when it comes to success in the co-op world. Take, for example, a farmer who is a member of the local co-op gin, warehouse, marketing association and cottonseed oil mill. That adds up to four different businesses that can return their profits to the farmer in dividends and stock retirements. The farmer who stays vertically integrated for years will reap the benefits in their operation, but a producer who is not vertically integrated throughout the supply chain has only one or two opportunities for added value. The question is simple: why not choose vertical integration?

Your regional cooperatives are always hard at work to improve their processes for the end goal of higher producer profitability. Installing new state-of-the-art equipment, fine-tuning business strategies and focusing on grower relations only hint at the sweat-equity being put in at these companies. They also take the time to assist one another for the benefit of their shared grower-owners.

Keep reading to learn more about the advancements PYCO, Farmers Cooperative Compress, Gulf Compress, Taylor Compress, VALCO and PCOM have been making to add value to your crop.

Headquartered in Lubbock, Texas

## PYCO INDUSTRIES, INC.

PYCO works to ensure its member gins and farmers get the highest possible value for their cottonseed. Last year, the co-op installed a state-of-the-art cleaning and delinting room, replacing 35-year-old equipment and increasing power and labor efficiencies. PYCO has also changed the way it purchases cottonseed from gins. In the past, the organization had offered yearly prices for cottonseed. Now, they offer prices daily, allowing gins to set prices earlier and the oil mill to sell and hedge products. In April of last year, PYCO also purchased Cape and Son in Abilene, Texas, along with its storage locations in Sweetwater and Waco. Obtaining the business allows PYCO to have statewide handling of seed across Texas and into Louisiana, and even ship rail cars to the West Coast. PYCO received enough cottonseed to maintain its maximum processing capacity for the entire 2021-2022 crop year. The co-op can process 420,000 tons of cottonseed each year which is the equivalent of 126 million pounds of cottonseed oil.

“At PYCO Industries, we go to work every day for the benefit of our member gins and ultimately the producers in our area,” said Robert Lacy, PYCO Industries’ CEO. “Our employees take pride in everything they do as if they too have ownership in PYCO. They are the most creative and knowledgeable people in the cottonseed industry and continue to make the best decisions for the betterment of this business. PYCO was founded in 1936 by gins who wanted to have more control of their destiny, and 86 years later, the reason for the existence of PYCO is still the same. We look forward to the next 86 years of service to our members/owners.”

Headquartered in Lubbock, Texas

## FARMERS COOPERATIVE COMPRESS

Farmers Cooperative Compress is one of the largest co-op cotton warehouses in the world with six locations and a more than 2.7 million bale storage capacity. This crop year the warehouse handled the sixth-largest crop in its history as they received 2.57 million bales from grower-owners across Texas. The current strong demand for cotton has also resulted in a heavy volume of shipping orders. FCC continues to get shipping orders ready for export; however, the warehouse had a record 3,150 loads ready to be exported that couldn’t be shipped because of supply chain challenges. Even still, efforts to add value in terms of shipping and inventory efficiency are made each day at FCC. The cooperative’s goal is to continue to add value to bales stored at FCC by providing excellent service to their members, gins and shippers. The compress also regularly communicates and collaborates with PCCA and PYCO regarding a variety of efforts to assist the members they have in common.

“FCC highly values the trust our members have given us to warehouse, protect and ship their hard-earned crop,” said Eric Wanjura, FCC CEO. “We want to be a partner in enhancing their profitability by providing excellent service through their membership and vertical integration. Our member-growers can participate in the upstream benefits of the supply chain by both enhancing the value of their bales based on storage location and by receiving patronage dividends from ownership in their warehouse cooperative.”



Headquartered in Corpus Christi, Texas  
**GULF COMPRESS**

Gulf Compress contributes additional value to South Texas farmers’ cotton through its innovative operations year-round. The co-op has 65 acres of storage capacity spread across five locations in the Corpus Christi area. Gulf Compress’ business goals for the year focus on reducing supply chain complexities with the end goal of more directly connecting the farmer to textile mills. The business is also keen on solving logistical problems for producers, gins and merchants through the development of various business platforms. These will allow them to capture the potential premium value that early marketing versus October Cotton Futures could provide. Gulf Compress has been utilizing its own unique co-op storage model that permits the repurposing of used shipping containers since 2019. This model is certified by USDA and saves the compress, and by extension its members, more money. Gulf has also optimized its operations with PCCA’s Warehouse Management Systems technology since 2009. The quick and timely injection of South Texas cotton into the global supply chain is the future of Gulf Compress’ market.

“Vertical integration is evolving in our industry, and reducing the complexities that will be experienced in alliances, marketing agreements, joint ventures, combined focuses, and even strategic mergers,” explained Robert Swize, Gulf Compress CEO. “The regionalization of the cooperative model continues to develop in Texas and other states to provide relevance within a cooperative service area. Relevance matters in any market, including the cooperative model. This relevance will be imperative for producers to remain competitive in their agricultural products processing, storage, logistics, and marketing services requirements. Competitors will vertically integrate, but for their benefit. Producer-owned cooperatives will continue to vertically integrate to create savings and, more importantly, generate relevance for the producer.”

**“COMPETITORS WILL VERTICALLY INTEGRATE, BUT FOR THEIR BENEFIT. PRODUCER-OWNED COOPERATIVES WILL CONTINUE TO VERTICALLY INTEGRATE TO CREATE SAVINGS AND, MORE IMPORTANTLY, GENERATE RELEVANCE FOR THE PRODUCER.”**

Headquartered in Taylor, Texas

**TAYLOR COMPRESS**

Providing the best possible service leads to the greatest monetary return to farmers. This belief drives Taylor Compress’ goal each crop year for its growers. The compress has the capacity to receive, store and ship 200,000 bales of cotton each season through its locations in Taylor and Bryan, Texas. The compress also utilizes block-stacking configurations and barcode scanners in its operations in order to stay on the leading edge of technology and efficiency. These tools provide more effective tracking of bales, reduce paper records, and increase ease of warehouse adjustments for fewer bale touches. Taylor Compress’s goal to return the entirety of its profits to producers in the form of patronage dividends sets it apart from other businesses. The co-op also works each day to provide reliable service to shippers who utilize their facilities. Doing so allows for ease of use when regional co-ops such as PCCA sell shared members’ bales.

“Ultimately a producer pays for everything in some manner,” said Jordan Grier, CEO of Taylor Compress. “The value the producer who utilizes Taylor Compress facilities receives is the savings from the warehouse charges that are deducted from their check when they sell their cotton. The services that we provide to cotton shippers in the form of removing individual bales from storage and assembling bales into loads that can be utilized by textile mills across the world generate revenue on behalf of the grower-owner. Any profit that is made from operations is able to be returned in the form of patronage dividends to our grower-owners. Each year we strive to see that these profits are able to at least save the member what was deducted from their check but also hope that it is able to make a return on their business.”

Headquartered in Harlingen, Texas

**VALLEY COOPERATIVE OIL MILL**

VALCO has been working hard for its grower-owners since 1946. The co-op is a once-refined cottonseed oil mill with over 200,000 tons of covered cottonseed storage. VALCO’s service area runs along the gulf coast from the Rio Grande Valley to Houston, and it has 18 member gins. Recently, the co-op has constructed a satellite seed storage location in El Campo. This innovation added 60,000 tons of capacity as well as the necessary infrastructure to support it. VALCO’s goal with this new location was to establish more of a presence in the upper coast area in an effort to build more membership and acquire a higher volume of cottonseed. In looking toward the future, the regional’s goal is much the same: increase membership and volume, and develop better markets for the products they produce to bring in larger profits for members. VALCO also encourages its members to be vertically integrated in the supply chain as well.

“We encourage all of our producers to stay involved in their local gin to start, and then also participate with the regionals in the services and markets they bring to the table,” said Jim Massey, VALCO’s CEO. “This will keep that producer more involved with his products beyond just harvesting and selling the lint. Also, encourage your local facility to support the regionals. It brings the vertical integration and gets you the maximum value of the products you produce.”

Headquartered in Altus, Oklahoma

**PRODUCERS COOPERATIVE OIL MILL**

Producers Cooperative Oil Mill in Altus, Oklahoma, was established in 1944 and serves gins in Southwest Oklahoma and Northern Texas. Since then, the co-op has worked tirelessly to add value to the supply chain and its members. This year PCOM was successful in selling dormant properties owned by the co-op to improve its balance sheet. It has also increased the speed and efficiency of loading railcars at its facilities. PCOM is the only co-op in the nation that can load two 100-car cottonseed unit trains at the same time. Each action the regional takes is aimed at improving its competitiveness in the marketplace. PCOM also encourages its members to be vertically integrated with their local and regional co-ops for opportunities such as decision-making and ensuring their voices are heard. This helps keep valuable agricultural infrastructure in Oklahoma and Texas.

“The cooperative model represents individuals – the producers that actually grow the cotton and supports the cotton gins that are our members,” Rose said. “What we do benefits them directly because the money we make and the cash flow that is generated by PCOM is returned to them. Cooperatives are owned by the people we serve. It gives me more incentive to do well because I know the people I’m working for.”





## Kody Carson Serves Beyond Cotton Industry

PCCA's Board Member for District 2, Kody Carson, is expanding his contribution to agriculture beyond the cotton industry by serving as the Chairman of the Board for the National Sorghum Producers. Carson hails from Olton, Texas, a small town in the Texas Panhandle. His family has been established there since the 1930s and he has been farming since the 1980s. Carson graduated with his bachelor's degree from West Texas A&M University and his master's from Texas Tech University. He joined the PCCA Board in 2018 and serves on the board at Ag Producers Co-op in Olton. Carson enjoys giving back to his community and the agricultural industry as a whole.

"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."

\*Interview excerpts are taken from Winter 2018-19 interview with Kody Carson

# FARM STRESS HELP & HOPE

*What inputs should we use in our operation this year?  
Can I afford to pay for this?  
Will the weather cooperate this year?  
How will I ever have time to learn about new technology?  
When will I get a break?*

You may be facing questions like these and more daily. In the life of a farmer, stress is around every corner – but you don't have to let it get you down.

You are not alone. If you are feeling helpless or trapped, get help. It is not a sign of weakness to seek help in dealing with farm and other life stressors, or to make your mental health a priority. Remember things can get better with time.

Now is always a good time to check on your friends and neighbors – we are all in this together.

If you or someone you know needs help, there are resources available:

#### **National Suicide Prevention Lifeline**

- **1-800-273-8255**
- **The call is free and confidential. They will connect the caller to a counselor in their area.**

#### **• Crisis Text Line**

- **Text HOME to 741741**
- **You will be connected to a trained counselor 24/7.**

#### **• Farm Aid Farmer Hotline**

- **1-800-327-6243**
- **Staff will answer calls Monday through Friday from 9:00 a.m. to 5:00 p.m. Eastern Time.**

#### **• AgriStress Helpline for Texas**

- **833-897-2474**



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