

FIELD & FIBER

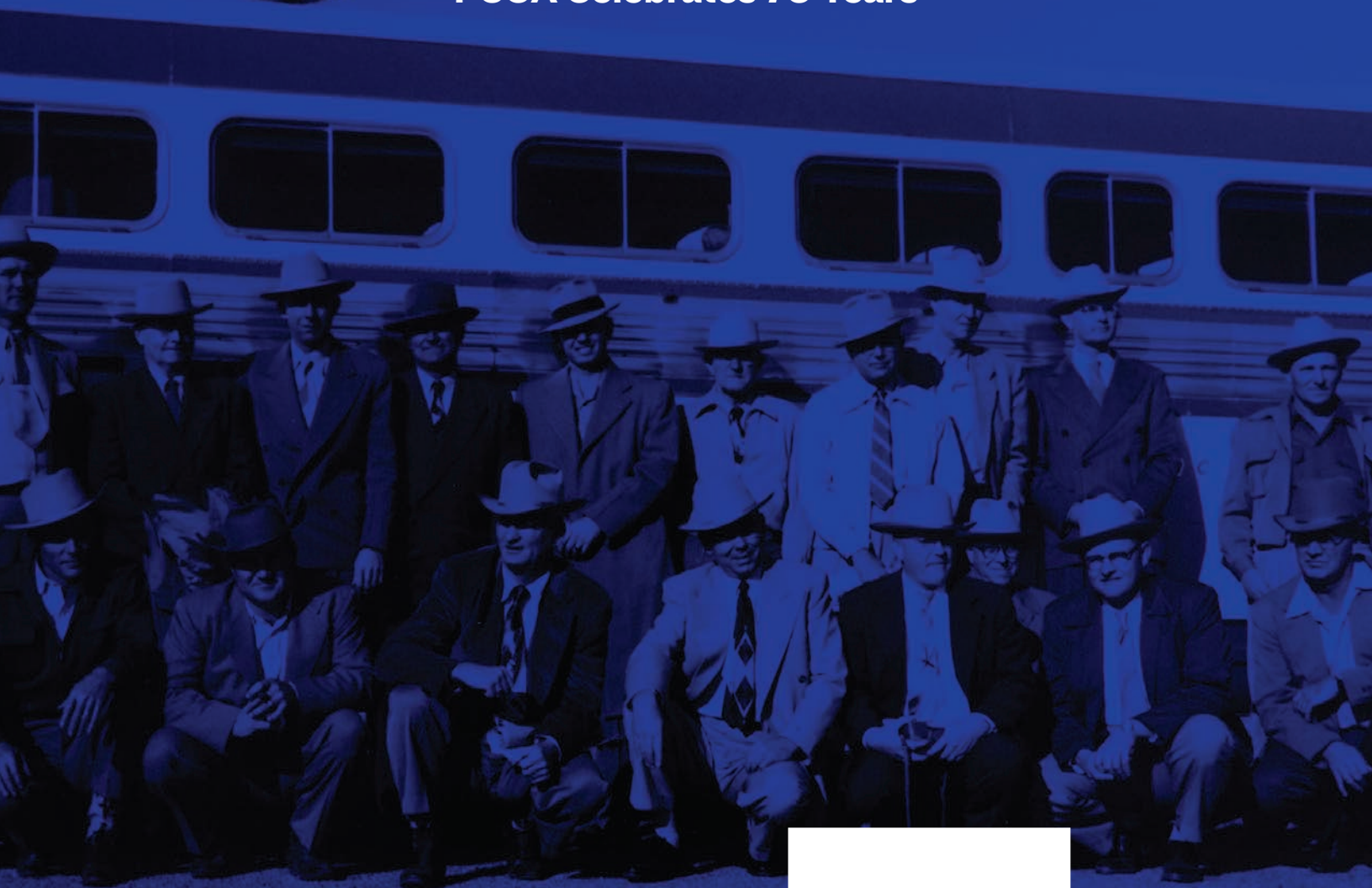
A Plains Cotton Cooperative Association Publication

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Spring/Summer 2023


Special Edition

PCCA Celebrates 70 Years





SPECIAL
EDITION
CELEBRATING
SPECIAL
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CELEBRATING



“I think the lessons that shine through for me is that when our farmers work together, they can accomplish anything. I think about some of the ideas that were born here and incubated here, and how they must have sounded at the time, and then taking it from concept to reality - it is really amazing what this cooperative has accomplished with our farmers. It is just a truly amazing company.”

- Kevin Brinkley, PCCA President & CEO



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by Jayci Bishop



The Secret to More Valuable Cotton

Added value is at the core of PCCA's mission to grower-owners. In most cases, the secret to adding value is finding the best markets.

by Jayci Bishop



Unbroken: How One Farm Family's Story Inspires Rural America

It is not every day you get to meet a miracle - and that's precisely what Freddie Maxwell is.

by Blair White



Curtis Stewart: Two Time Ginner of the Year

Forty-one ginning seasons deep, Curtis Stewart has learned no two days in the cotton industry are the same.

by Jayci Bishop



An Impact That Can't Be Measured - PCCA Turns 70

Our co-op's founders could not have imagined their bold action's vast impact on growers across the Cotton Belt.

by John Johnson

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OUR MISSION

To enhance the profitability of grower-owners and gins through value-added marketing programs and services.

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A Letter From The President

We're grateful for every year we get to serve cotton growers by providing products, services, and community. It seems appropriate to commemorate PCCA's 70th year of business by dedicating this issue of Field & Fiber to the stories that brought us to this time. It's essential that we take time to remember the contributions and sacrifices made by so many growers, employees, and friends of this cooperative. To do otherwise, we risk taking what we have for granted.

We hope to inspire you as you read about the accomplishments of PCCA and how they changed the trajectory of farmers in the Southwest United States. Quantifying PCCA's contributions to the U.S. and global cotton industry is impossible. Seemingly everyday actions that rarely get a thought were created by the growers of PCCA.

Human nature sometimes makes us prone to look at the difficulties we face and assume no one has ever faced such circumstances. As you read these stories, it is evident that trying challenges are precisely what leads to some of the most significant breakthroughs.

Lastly, I read these accounts with great pride even though they occurred before my time. It's an honor to be a part of such an impactful organization. Gratitude is a critical element of successful living. So to those growers, employees, and friends, past and present, that worked hard to call PCCA their own, I offer my congratulations and thanks for jobs well done.

Sincerely,

A handwritten signature in blue ink that reads "C. Kevin Brinkley". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Kevin Brinkley
President and Chief Executive Officer

P.S.- With a bit of work, imagination, and faith, more stories like these are in the future. Believe it!



A Letter From The Chairman

This year we are celebrating 70 years of PCCA. This cooperative has had triumphant successes, industry-changing innovation, and challenging setbacks. Looking ahead, it is critical that PCCA build upon its foundation and continually adapt to meet grower and industry needs into the future.

The future of PCCA is our top priority. We have a diverse board of seasoned and young members who want PCCA to succeed and be a stronghold for grower-owners. We work daily for you at both the board and staff levels. We have improvements to make, but we will get there.

We have a capable team, and I am confident in their ability to face the future. We have talented employees with innovative ideas and solutions working with your best interest in mind each day. We have talented, invested growers determined to help ensure the cotton industry's future. The best is yet to come for our cooperative.

PCCA is your cooperative, and you have a voice. That is the beauty of the co-op system. We want to hear from you. PCCA's door is always open. Contact your district's director or any PCCA staff if you have questions or want to visit with us.

Sincerely,

A handwritten signature in black ink that reads "Dahlen Hancock".

Dahlen Hancock
Chairman



Focusing on Grower Success

Story & Photo By **Jayci Bishop**



Past accomplishments are worth celebrating. The trials and triumphs PCCA has experienced are a testament to what can happen when farmers band together to accomplish a common goal. However, a more timely question is, what is next for PCCA? Continued focus on grower success.

“My hope for the next 70 years is that this company goes on to accomplish greater things than it has the past 70 years,” said Kevin Brinkley, PCCA President and CEO. “I really think the work ethic, that spirit of our farmers in the area that we work in, is going to make that possible. There are plenty of problems still left to address and still plenty of challenges. I think between the good ideas that we get from our growers and our dedicated staff, we can do that.”

PCCA has four main areas of focus for the future: Innovative Solutions, Preferred Marketing Tools, Diversification, and Communicating Directly.

Innovative Solutions

“PCCA is innovating in every area of the business because our members expect it,” Brinkley said. “Working together to solve impossible problems is a distinctive of grower-owned cooperatives.”

It's evident from PCCA's history that innovation is in PCCA's DNA. From technology to marketing to value-added processing, PCCA is continuously searching for ways to improve the value of Southwest cotton. One recent example of this innovation is PCCA's intermodal rail facility in Altus, Oklahoma. While cotton has traveled by rail to ports for decades, a grower-owned facility at origin is uniquely PCCA's innovation. The physical facility and powerful software technology allow PCCA to unload and load full-unit trains precisely in only a few hours.

“Our intermodal facility created additional opportunities,” Brinkley said. “Most of our cotton is land-locked, and we gave it access to a superhighway to our customers. We had to learn as we went about how to do it efficiently, but our teams have worked tirelessly to reduce the number of touches which reduces costs.”

Preferred Marketing Solutions

Marketing cotton is the reason PCCA exists. Consistent with our history, PCCA has launched new marketing choices this crop year to serve as many growers as possible. PCCA's expanded preferences through its PCCA Direct® program to provide growers more control over their pricing. PCCA also added its Grower Choice Pool for 2023, allowing growers to price a portion of their pool cotton.

“The driving force behind these new choices is the market. While we believe broad participation in our marketing pool is in the best interest of all growers, we had to acknowledge that increased volatility created price swings at harvest,” Brinkley said. “The challenge to PCCA is protecting the strength of the co-op by ensuring our members can market the way they want.”

The Grower Choice Pool was requested by growers who observed harvest-time rallies during four of the last six seasons. Combining the safety of the seasonal pool with pricing power on up to half of the farm's APH means growers will be positioned well for future harvest pricing opportunities.

PCCA Direct On-Call was created for growers that produced uncommitted cotton in a falling market such as 2022-23. On-call provided a tool to let the grower sell their physical bales to stop the accrual of storage charges while allowing them to delay the fixation of the price in hopes of a rally.

Future enhancements to On-Call and Grower Choice Pool are in development for the coming crop years. PCCA is also developing additional integrated risk management tools regardless of what type of marketing choice a grower makes.

Diversification

For most of its 70 years, PCCA has dedicated itself to primarily serving cooperative gins and warehouses and the growers that own them. PCCA's board approved a 2022 policy change that welcomes growers from all types of businesses.

“PCCA is a volume-dependent business,” Brinkley said. “With more direct competition at origin, our board believes the right course of action is to open our programs to all cotton growers and gins.”

Brinkley said to maintain a strong market presence and deliver services at the lowest costs, PCCA must maximize the volume of bales processed through its marketing, warehousing, and technology. Although PCCA's primary focus will remain on co-op gins, the company is well-positioned to begin offering expanded choices to growers ginning at non-cooperatives.

“While we may have changed the content of what we publish, PCCA is still the most transparent company in the business. When our fiscal year results are reported, all of our growers know what we did.”

Communicating Directly

A certainty in agriculture is consolidation. The future will bring about fewer, larger growers and gins. The result is that growers don't spend as much time in gin offices as they previously did. In most cases, a grower's office is their truck.

PCCA's technology made the communications challenges less complicated by providing growers real-time information about their crop, ginning, pricing, and markets. That same technology helps the gin push its data to growers wherever they are.

“We have several old photos of the TELCOT® system displayed at our office. Contrasted with now, growers would gather around the terminal at the gin and watch the cotton market in action,” Brinkley said. “With growers farming more acres and gins being busier than ever, it's imperative that we keep communications clear and open.”

Recently PCCA has begun publishing more information about cotton economics through its Market Summary, a monthly discussion of the outlook for cotton prices. PCCA also devotes more resources to directly communicating with growers about its marketing choices.

“We realized that we need to tell the story of our co-op, our way. So we empowered our team members to find growers, wherever they are, and have those discussions,” Brinkley explained. “While we may have changed the content of what we publish, PCCA is still the most transparent company in the business. When our fiscal year results are reported, all our growers know what we did.”

No matter the changes that take place, PCCA's mission to enhance the profitability of grower-owners and gins through value-added marketing programs and services rings true.

“We are doing things at a much faster pace than perhaps any time in the history of the company,” Brinkley said. “We are able to do that because we have really good technologies in place and we have hired really talented people to help us get that done. We just have to innovate at a much faster pace, because that is how fast the world is changing around us. If we can do that, if we can meet that challenge – I think you have a company that endures for a long, long time.”

UN BROKEN

How One Farm Family's Story
Inspires Rural America

Story & Photos By **Blair White**

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Freddie, Pam and Evan Maxwell

It's not every day that you get to meet a miracle – and that's precisely what Freddie Maxwell is. He persevered through unprecedented trials and continued serving his hometown and his family. Through his story, the heart of small-town, rural America beats strong.

Freddie began his farming operation in 1973 in Sudan, Texas. It is also where he met his wife, Pam, and raised his sons, Aaron and Evan. Evan farms with Freddie and is the sixth generation carrying on the family tradition. Their operation consists of growing cotton with occasional fields of hay, grain sorghum, and corn in the mix. Evan also raises Red Angus cattle. The Maxwells utilize cover crops to create healthy soils. Their most important inputs are hard work and family values.

"There's no other place to do it," Freddie said. "Raising someone up on the farm – you learn the work ethic, honesty, and integrity, and there's no better life in my opinion."

Evan recalled fond memories of spending time with his dad and brother on the farm. Naturally, there were a few "don't tell your mom" moments. Still, some of his favorites included having Allsup's breakfast in the pickup, moving irrigation pipe, and picking up leftover potatoes after harvest and selling them for vacation spending money.

"You learn at a young age to work hard and be proud of what you have and proud of what you worked for," Evan said. "Now I get to see my kids grow up and see things through their perspective. We look at it and see a weed, but my four-year-old daughter looks at it and sees a flower. Seeing things like that is really neat."

Servant Leadership

Freddie began ginning at an independent gin early in his career because it provided cotton trailers to haul his crop to the gin. He switched to the local co-op gin once he integrated module builders into his operation and was able to transport his crop further distances. Over the years, his involvement progressed into leadership positions to help his farming community obtain long-term profitability.

"If it wasn't for the regionals, farming wouldn't be as effective as it is," Freddie explained. "You have the ability to participate in the things that they provide you, like

"My greatest joy in life is just seeing God's creation and God's hand in everything. You know, if it wasn't for God, we wouldn't be able to have this and do all that we do."

with your progress payments if you're in the pool, with the compress you can get your payback from the gin, then you also get dividends. Same thing from the oil mill. Without them, we just couldn't operate."

Freddie has served on the PCCA Delegate Body and Farmers Cooperative Compress board since 1999. He is the board chairman at FCC and has supported the community of Sudan as a city councilman and mayor. At the same time he was mayor, Pam was president of the Sudan School Board. His other industry involvement includes the Texas Producers Co-op Gin board, PCCA Pool Committee, and TACC board of directors. He also serves on the Lamb County Farm Bureau board of directors and served as a deacon and elder in his church.

In working with his dad, Evan has also experienced the benefits of the co-op system and how serving others plays a role in the bigger picture.

"You can get more done as a group collectively than you can on your own individually," Evan said. "In farming, we are all in individual operations, but on the cooperative side, we come together for one purpose, and that helps tremendously."

Overcoming Adversity

The Maxwells' persistent dedication to their community returned tenfold when tragedy struck their family in 2012. One fall morning, Freddie was in a head-on collision involving an 18-wheeler while making his usual rounds to check the farm. Doctors did not expect him to survive. Through many prayers, Freddie miraculously beat the odds.

"Back when that happened, I already had most of my cotton out, but the community – I forget now how many cotton strippers, probably 30 or so, came out one day to pull all of Dad's crop," Evan said. "That's something no other profession would do."

"Over 100 people were there for us that night in the UMC atrium," Pam said. "The community of Sudan had a hamburger supper to help raise money for our medical bills. They had blood drives to help because Freddie lost so much blood. We were so fortunate and so blessed. We could not have done it all without them."

While Freddie continued to heal, Evan handled the farming operation. After six months of recovery, Freddie walked out of the rehabilitation center.

"My greatest joy in life is just seeing God's creation and God's hand in everything," Freddie said. "You know, if it wasn't for God, we wouldn't be able to have this and do all that we do."

Though it's been over a decade since the accident and much has changed, one thing that has remained the same

is the Maxwells' faith and dedication to serving others. They have much to look forward to with two successful sons and five grandchildren.

"You know, it's something that we can share our story and help other people," Pam said. "You just pay it forward."



Young Farmer Spotlight: Evan Maxwell

"My very first cotton crop was in 2010 on my own land. It had a really nice stand started. June 17 rolls around, and a hail storm came through, and there was nothing left. It was discouraging for sure. It was one of those times that, fortunately, we had enough moisture I could go back with grain sorghum. It can be frustrating at times like that."

"You have put everything into it and are off to a good start, and all of a sudden something can happen, but most things worth having are not easily obtained. I think farming is kind of the same way. It's not the easiest profession. It's not the easiest to get into. I was fortunate to have previous generations that paved the way for me. Watching my granddad and my dad – I want to do that same thing for future generations."

In

1953

Dwight D. Eisenhower was sworn in as the **34th U.S. President**, and **Richard Nixon** became the **36th Vice President**.

The **New York Yankees** beat the **Brooklyn Dodgers** 4-3 in game six to win their fifth consecutive **World Series**.

Bananas were 10 cents/pound.

Milk was 94 cents/gallon.

A loaf of bread was 16 cents.

\$1,650

Average cost of a new car

20 cents

Average cost of a gallon of gas

The most popular boy names were **Robert, James, Michael, John, and David**. The most popular girl names were **Linda, Deborah, Patricia, Susan, and Barbara**.

\$4,000

Average income per year

\$9,550

Average cost of a new house

\$85

Average monthly rent

In 1953, a first-class postage stamp cost three cents.

The price of a **Cotton Bowl Classic** ticket was **\$4.80**.

44.7% of Americans had a television.



Pina Colada Jello Salad

This recipe brings the 1950s to your table with a refreshing treat!

Ingredients:

- **1 can (20 ounces) unsweetened crushed pineapple**
- **2 envelopes unflavored gelatin**
- **1/2 cup cold water**
- **1 cup cream of coconut**
- **1 cup sour cream**
- **3/4 cup lemon-lime soda**
- **3/4 cup sweetened shredded coconut**
- **1/2 cup macadamia nuts**
- **Pineapple chunks and freshly shredded coconut, optional**

Instructions:

- 1. Drain pineapple, reserving juice; set the pineapple aside. In a large saucepan, sprinkle gelatin over cold water; let stand for one minute. Cook and stir over low heat until gelatin is completely dissolved, about two minutes.**
- 2. Remove from heat; stir in the cream of coconut, sour cream, soda and reserved pineapple juice. Transfer to a large bowl. Cover and refrigerate for 30 minutes or until thickened, stirring occasionally.**
- 3. Fold in flaked coconut, nuts and reserved pineapple. Pour into a six-cup ring mold coated with cooking spray. Cover and refrigerate for three hours or until firm.**
- 4. To serve, unmold salad onto a platter. Fill the center with pineapple chunks and shredded coconut if desired.**

75





Ray Goss



Carl E. Sanders

Carl E. Sanders was a founding member of PCCA and served as the cooperative's first president of the board in 1953. Sanders' family moved to Lynn County in 1928 where he farmed his entire life. In addition to serving on PCCA's board, Sanders served 25 years on the board of Farmers Cooperative Association of O'Donnell, Texas, including 18 years as president. He also served on the board of Plains Co-op Oil Mill in Lubbock.

1953

PCCA is founded.
Carl Sanders is elected Board President.
Ray Goss is named PCCA Manager.

An Impact That Can't be Measured: PCCA Turns 70

By **John Johnson**

A revolution in the Southwest was born in 1953 when Plains Cotton Cooperative Association was founded in Lubbock, Texas, a revolution that would eventually change the global cotton industry. Our co-op's founders could not have imagined their bold action's vast impact on growers across the Cotton Belt.

By some standards, 70 years is a long time for a business to exist, especially one whose industry is full of sometimes uncontrollable risks. The cotton industry is a perfect example where hazards include weather, market challenges, foreign and domestic competition, labor and transportation challenges, and changing farm policy. PCCA has survived and flourished by steadfastly refusing to succumb to such risks, much like our grower-owners. Along the way, this co-op has persevered through setbacks and introduced essential innovations.

Following the migration of cotton production to the Texas High Plains in the early 20th Century, ambitious efforts to establish a marketing program failed. Throughout the 1920s and 30s, leaders of the High Plains cotton industry remained undaunted and continued investigating the possibility of centralized marketing associations.

According to one study, the Texas Farm Bureau Cotton Association was the first large-scale cotton cooperative. This program lacked grassroots support from local coordination. However, further development of co-op gins to improve their services led to the 1936 establishment of Plains Cooperative Gins, Inc., to market their members' cotton. A year later, the new organization began cottonseed processing and started to phase out cotton marketing, renaming itself Plains Cooperative Oil Mill, known today as PYCO Industries, Inc.

Although the oil mill had chosen to focus on cottonseed processing, the idea of a centralized cooperative cotton marketing program was never far from High Plains farmers' minds. A significant catalyst to foster this idea was the hiring of Roy B. Davis as general manager of PYCO in 1943. Ten years later, farmers, co-op gin managers,

and a Houston Bank for Cooperatives representative boarded a bus to visit regional cotton marketing co-ops in other regions of the U.S. Cotton Belt. They returned to Lubbock convinced they could duplicate the marketing systems they had witnessed. Davis then proposed the oil mill provide the initial capital of \$12,000 to establish PCCA in 1953.

"After the bubble burst on cotton prices following the Korean War, High Plains cotton became pretty difficult to sell and began to accumulate in the CCC loan since local cotton prices were not competitive," recalled the late Dan Davis, PCCA's general manager from 1956 to 1978, in a 1980 interview. "At that time, there were no export subsidies, so interest began to grow in getting some kind of cooperative cotton marketing program going again."

PCCA's commitment to innovation was evident from the start. Our co-op's management and board recognized the effectiveness of a seasonal marketing pool. Along with this concept, PCCA introduced its "daily competitive bid" system. The co-op would assemble cotton into even-running lots and sell it at auction. The idea proved enormously successful; however, pool marketing

became less attractive as federal farm policy changed.

Real Growth

PCCA's reputation grew, and the volume of cotton handled increased, but the co-op realized the need for higher-quality cotton to maximize its marketing efforts. This realization was boosted in 1963 when it merged with the Oklahoma Cotton Cooperative Association, which owned a cotton warehouse in Altus. The move also coincided with an invitation from Texas Rolling Plains farmers for PCCA to offer marketing services in their region. Growers, local co-op gins, and PCCA invested in building cotton warehouses at Sweetwater. As a result, PCCA finally had better financial stability than it possessed during its first ten years of operations.

Transforming Southwest Cotton

In 1960, PCCA began the development of a mechanical system for determining the quality characteristics of each bale delivered for marketing. The reason was two-fold: delays in receiving classing information from USDA, which impeded marketing, and to obtain more accurate data to support PCCA's quality programs, such as length, strength, and micronaire measurements. The system was finally perfected and became known as High Volume Instrument testing, which USDA approved and introduced into all its cotton classing facilities by the 1980s.

Another project initiated by PCCA in the 1960s was the Wells Project to improve the efficiency of handling seed cotton through containerized storage, which resulted in the construction of the first cotton module in 1969. Cotton Incorporated then perfected the system through its research and development activities.

Perhaps the most significant innovation that originated at PCCA in 1975 was an online cotton marketing system

known as TELCOT®. The system expanded market access but maintained the viability of local cotton markets. A related innovation introduced by the co-op was electronic warehouse receipts.

An important effort by PCCA in the mid-1970s was helping another regional cotton cooperative, American Cotton Growers, build a denim mill at Littlefield, Texas. In 1987, PCCA purchased the mill outright, enabling it to pay millions of dollars in dividends before the World Trade Organization decimated domestic textile manufacturing

in the early 21st Century. The acquisition of ACG also led to renewed interest in pool marketing. The pools managed by PCCA have been a popular option for grower-owners.

Meanwhile, PCCA has continued developing new programs to make co-op gin operations more efficient, saving them millions of dollars to pass along to patrons. Emphasis also was placed on providing grower-owners more detailed and easily accessible

information regarding their accounts with the co-op, enabling them to manage their farming operations more effectively.

"Looking back over our history, we have some spectacular successes and devastating failures, but through it all, the cooperative spirit of our members has survived and thrived," former PCCA President and CEO Van May once said. "Nobody can say we always took the safe path. Ours is a story of innovation and risk-taking with good results overall."

The vision expressed by that small group of High Plains cotton farmers and co-op gin managers in 1953 could not have led them to believe the impact they would have on the cotton industry. The tremendous success of PCCA is undeniable as it overcame uncontrollable risks and flourished on behalf of its grower-owners.

“Looking back over our history, we have some spectacular successes and devastating failures, but through it all the cooperative spirit of our members has survived and thrived. Nobody can say we always took the safe path. Ours is a story of innovation and risk-taking with good results overall.”

1954

J.O. Bass Jr. is elected Board President

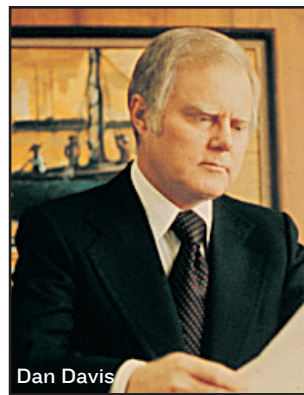


J.O. Bass Jr.

J.O. Bass Jr. was a founding member of PCCA who served as president of the board from 1954 – 1959. He attended Texas A&M University where he received the American Farmer Degree from the National FFA Organization. Following his military service during World War II, Bass returned to Hale County and farmed in the Edmonson community.

1956

Dan Davis is named General Manager



Dan Davis

1959

Howard Alford is elected Board President



Howard Alford

Howard Alford was a founding member of PCCA and Farmers Cooperative Compress, and simultaneously served as president of both boards until he died in 1973. Alford began farming in Lubbock County after graduating from Texas Tech University. During his term as PCCA president of the board, the cooperative established cotton warehouse operations in the Texas Rolling Plains and Southwest Oklahoma and began offering cotton marketing services to farmers in those areas.

1960

A fiber testing lab is established at PCCA, and development of today's High Volume Instrument testing system begins soon after that.



Driven to Survive

PCCA's Innovation that Became the World Standard

By John Johnson

The marketability of Texas High Plains cotton was handicapped for decades by a reputation for inferior quality and delayed receipt of classing data from the U.S. Department of Agriculture. PCCA's leaders knew they would have to overcome these two hurdles if West Texas cotton was to survive in the industry. It was a source of frustration during the co-op's early years, but PCCA's uncompromising appetite for innovation would prevail.

Frustrations first surfaced in the 1920s when cotton merchants could not agree on uniform terminology to describe the quality characteristics of cotton, creating much confusion in the marketplace. In the following decade, the merchants asked USDA to establish grading standards. In response to the Great Depression, Congress created price support programs for agricultural commodities and stipulated cotton would have to be graded by USDA. The department's hand-classing system would exist for the next 50 years.

The Solution

PCCA's Board of Directors and management believed the system of measuring cotton fiber quality needed to be refined to more accurately establish the value of their grower-owners' cotton. They also knew the system needed to be faster and less expensive.

In 1960, PCCA used a colorimeter to conduct exhaustive research on cotton samples collected at the compress, and the results were satisfactory. The co-op also purchased a used Recordax machine to photograph the samples to measure leaf content.

During their board meeting on June 28, 1960, PCCA General Manager Dan Davis recommended and the board of directors approved the allocation of \$70,000 to purchase additional equipment and hire skilled cotton classers to staff the co-op's new fiber testing lab. Davis also announced staff members were looking at using IBM punch cards to record color, leaf content, and staple length to further facilitate PCCA's marketing efforts. By the end of 1960, the lab was processing 8,500 samples daily, enabling the co-op to market cotton more effectively and efficiently.

The New Standard

Later that decade, PCCA began working with a private company, Motion Control, to further advance the use of instruments in classing cotton and replace the system employed by USDA. Another goal of the joint effort was to add measurements for fiber strength and uniformity. Shortly after, PCCA became the first company to purchase and use a High Volume In-

strument (HVI) line.

The HVI system soon proved High Plains cotton fiber benefited from improved varieties and better farming practices. It was not as short-staple or weak as textile mill executives and cotton industry representatives previously believed. USDA personnel also realized the potential for HVI to improve its cotton classing system.

The U.S. Secretary of Agriculture subsequently established an industry advisory committee to study the feasibility of HVI and make any recommendations. The committee was comprised of representatives from six segments of the cotton industry. Still, before their first meeting, USDA was approached by growers, ginners, and other leaders who asked the department to bring HVI classification to its Lamesa classing office.

Thus, the Lamesa classing office in 1980 became the first to issue fiber values based on HVI results. The department's Lubbock classing office followed suit in 1982. Eventually, USDA converted all classing offices to the HVI system, and premiums for fiber strength were incorporated into the cotton loan schedules in 1991. Today, HVI data is accepted by the cotton and textile industries worldwide, and the system is used to class every bale of U.S. cotton.

Innovation, whether born of necessity, forward-thinking, or both, has been a characteristic of PCCA from its beginning. Giving birth to and nurturing the HVI concept was one of the earliest examples.

The Secret to More Valuable Cotton

By Jayci Bishop

Added value is at the core of PCCA's mission to grower-owners. In most cases, the secret to adding value is finding the best markets.

PCCA has focused on finding profitable markets since its inception. In 1961, PCCA opened a sales office in Japan, making it the country's largest supplier of U.S. cotton at the time. Then in 1972, PCCA negotiated the first sale of U.S. cotton to China in 20 years, valued at \$60 million for the 400,000-bale sale.

Fast forward to the present day. Most U.S. cotton is exported, making trade even more critical. The U.S. is the world's largest cotton supplier, with exports valued at \$9.02 billion in 2022. The top ten export markets for cotton last year were China, Vietnam, Turkey, Pakistan, Mexico, India, Bangladesh, Indonesia, Peru, and Thailand (USDA).

A Global Quest

"Exports are very important to our grower-owners because it opens up the world to U.S. cotton, and we need that," said Keith Lucas, PCCA Vice President of Marketing. "Quite frankly, over 80% of the cotton produced in the U.S. year-in and year-out is exported. If you are not part of that particular market, you are really putting yourself into a pigeonhole as far as where you are able to sell your cotton. The export market is not only something that we want to explore for price and diversity, but we also want it there because that is the marketplace."

PCCA must maintain its reputation and relationships with foreign mills and customers because of the large volume of exported cotton. Carlos Garcia, PCCA Export Sales Manager, said many of these relationships with

mills go back 40 to 50 years, and it is his job to build on those longtime relationships with customers.

"We need to continue to do a good job when we make a commitment to those buyers," Garcia said. "We need to ship the best cotton on a timely basis, and just continue to uphold the reputation that PCCA holds in the export markets around the world, and domestically. PCCA is a well-known company, so it sells itself."

Exporting cotton has changed over the years. One of the most significant differences is the industry's reliance on USDA High Volume Instrument data. Most mills understand and prefer to use USDA Green Card Final, the trade's term for HVI. Simply put, Green Card Final means that the mills will accept the USDA class for the cotton, and by using HVI data, they know exactly what qualities they will be receiving.

"I would say that 95% of the cotton is traded on USDA HVI data," Garcia explained. "Number one because of the reliability of the HVI data and number two,

Continued on page 22



1961

PCCA is the first cotton company to use an electronic computer to process sales.

PCCA also opens a sales office in Osaka, Japan, making it the largest supplier of U.S. cotton to Japan.

with the mechanization of cotton and all the different innovations that have come about we are producing a more uniform bale of cotton that allows us to ship it with Green Card Final.”

Exporting cotton for PCCA all starts with developing the market itself; One the co-op wants to be a part of, along with a customer base in that specific market.

“What goes into that is we have to assess the risk that is involved from both a credit risk and a country risk,” Lucas said. “We would not want to be selling cotton into Ukraine right now, as an example. We have developed those markets over time, and we try to look for newer markets when those become available. We have actually had an emphasis the last several years of building our market share in Pakistan. It has become a very good home for U.S. cotton.”

Service is the Difference

PCCA maintains a strong reputation with export partners, Garcia said. They know the local buyers and minimize the risk that we run by only selling to the best mills. PCCA utilizes agents around the world because they understand different languages and cultures.

“Selling cotton is the easy part,” Garcia said. “Obviously having the right cotton available is the big thing for our customers. We publish a daily offer sheet that goes out to a network of agents in these textile-producing countries. Then those agents take those offers and put them in front of the buyer. The buyer decides if there is something that they are interested in buying and we negotiate on the price. Making the sale is the easy part. The next part is the hardest, and that is where we get to start the shipping process.”

Ensuring that cotton is shipped on time and that we have received payment for it before shipment is the responsibility of PCCA’s Traffic and Invoicing department. PCCA never wants to lose control of the cotton.

“They do a very good job because they make sure the cotton can be loaded at the warehouse for a specific period of shipment that we promised,” Garcia said. “Then they have to manage getting that cotton to the port of departure, and at the same time, they have to make sure

that we have the payment instrument or way that we are going to get paid available and ready to be used so that we don’t ship something or put something on the water without it being paid.”

There are a lot of moving parts in play when exporting cotton. It takes teamwork from the entire PCCA team to ship it effectively and efficiently.


“All the other commitments that we make are more difficult to fulfill,” Garcia said. “Obviously, without our invoicing staff, IT department, and all our other staff at PCCA, and of course our grower-owners, we could not do this because we wouldn’t have the cotton available for us to market. Without IT, we would not have systems available to be able to ship cotton effectively and quickly.”

Logistics can be challenging, but perhaps the most difficult to navigate are politics, natural disasters, or external forces. A recent example is the earthquake in Turkey.

“This year, there was a lot of cotton that was committed to Turkey that then had to be delayed or maybe invoiced back because the buyer’s textile mill was destroyed, and it was going to take a while for them to rebuild or repair the factories,” Garcia explained. “There are issues like that, and other issues like currency issues in Pakistan and Bangladesh, that impact our ability to ship cotton we’ve sold. Sometimes disputes between other countries and the U.S. triggers retaliatory reactions like imposing tariffs on cotton. Those are issues that weren’t there at the time we made the sale, and now we have to ship the cotton under new considerations. Those are probably the biggest factors. The unexpected issues that we cannot predict are probably the most difficult to manage.”


PCCA’s Sales team works daily to extract value from the export market. Added value is at the core of our mission, and it is top of mind when finding markets for your cotton.

“We need to ship the best cotton on a timely basis, and just continue to uphold the reputation that PCCA holds in the export markets around the world, and domestically. PCCA is a well-known company, so it sells itself.”



WANT MORE OF THE STORY?

Scan the code to watch the video!



SUSTAINABILITY

Controlling Your Own Destiny

One of the current buzzwords in the cotton industry is sustainability. Why is this topic so popular, and what is driving the conversation? “Sustainability is becoming a bigger topic because the end user, the consumer, wants to know where their product comes from and what kind of impact it has on the environment,” Garcia said. “How it is grown, what goes into its production, what resources are utilized, and then the brands and retailers want to be able to provide a product that they can differentiate from others. They do this by saying ‘this cotton, or whatever fiber is being used, was grown or produced using less water, or it was grown without any pesticides, or whatever the claim they need to make.’”

The consumer dictates more and more what brands and retailers do, and then brands and retailers dictate requirements to spinners. Thus, there is increasing demand for sustainably grown cotton. Growers can help fill the need by connecting what they already do to what consumers want.

“So, the story of sustainability comes down to marrying what the consumer wants and what the producers are already doing,” Garcia said. “It is just a matter of taking that additional step and putting it on paper and having a verifiable record of how it was grown. Telling

that story and having verified data allows the brands and retailers to make the claims legitimately without fear of somebody coming back and claiming that what they are saying is not true.”

Growers need to record the sustainability practices they are already implementing to take advantage of the demand from consumers.

“Growers are going to continue to farm as sustainably as possible because it makes economic sense,” Garcia said. “I think the best thing growers can do is to join the sustainability programs that provide the platform for them to share their farming practices that allows the brands and retailers to make those claims. Hopefully, at some point down the road, there is a benefit to them doing that.”

Participating in sustainability programs like the U.S. Cotton Trust Protocol allows PCCA to ensure we can fulfill inquiries for that cotton and not get shut out of the market. The more producers that sign up for these sustainability programs, the better it allows PCCA to sell that cotton on behalf of the producers.

For questions or assistance signing up for the U.S. Cotton Trust Protocol, contact Carlos Garcia or Bailey Nesmith at 806-763-8011.

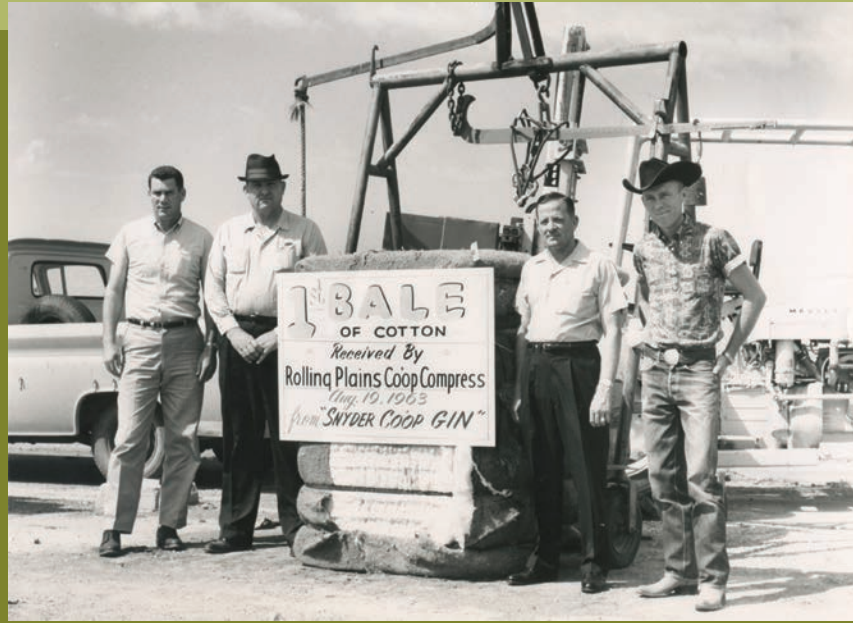


**U.S. COTTON
TRUST PROTOCOL
SUSTAINABILITY**

1963

PCCA establishes two cotton warehouse operations: Oklahoma Cotton Cooperative Association in Altus, Oklahoma; and Rolling Plains Cooperative Compress in Sweetwater, Texas, and begins offering cotton marketing services in those areas.

PCCA leases a pier at Galveston, Texas, enabling it to export cotton to major markets around the world.



Much More Than Storage:

PCCA's Warehouses Secure Value and Stability

By Blair White

Value, security, and stability are critical elements in the life of a Southwest cotton grower. In 1963, PCCA's leadership recognized patrons needed to vertically integrate into warehousing to manage the various risks of desert cotton farming. As a result, the organization established two cotton warehouse operations: one in Altus, Oklahoma, and one in Sweetwater, Texas. Even though some of the buildings are older than PCCA, they still stand tall and strong, protecting our grower-owners' cotton from the elements and housing them for shipping.

Before cotton warehouses became the standard for storage, bales were often arranged in lots outside, exposed to the elements. The burlap bale covers of the day didn't offer much protection. The longer the bales were outdoors, the further their quality degraded, and the less cotton farmers were paid for the fiber. Today, millions of bales are stored in dry warehouse locations in secure covers that protect the valuable fiber.



North and South

PCCA's warehouses actually operated as separate divisions until 2008. The Altus location was referred to as the Oklahoma Cotton Cooperative Association, and the Sweetwater location was the Rolling Plains Cooperative Compress. The warehouse closest to the respective gins received the cotton.

The idea of consolidation was brought up by a gin manager who wondered why PCCA had separate warehouse divisions when they essentially operated basically the same. Shortly after, representatives from the committees of OCCA and RPCC began evaluating what it would take to combine the two divisions. Their research efforts identified that consolidation would increase stock retirements projected for 2008. The decision was a logical one to make.

Creating one warehouse division allowed PCCA to shift labor, equipment, capital, and other resources where necessary so nothing was wasted. The Warehouse Committee was also formed, starting a new era for PCCA.

Growing and Going

As PCCA expanded its marketing operations and gained traction in Kansas, the need for new warehouse locations became evident. Soon after, locations were established in Big Spring and Rule, Texas, and Liberal and Clearwater, Kansas.

"Around 2001, a couple of things started occurring in our trade territory," said Jay Cowart, Vice President of Warehousing. "The most impactful was the boll weevil eradication, which we started seeing in the early 2000s. We also started seeing these transgenic cotton varieties come about around the same time. When our growers were no longer burdened with the risk of boll weevils, we saw them commit quite a bit more resources to produce a crop. So, we instantly saw significant yield gains occur and the growth of the warehouse division really began with that."

The Altus warehouse location features a state-of-the-art loading and shipping facility and a new private intermodal rail facility. The construction of the private intermodal rail facility in 2020 led to a decrease in fuel and labor costs and has increased the timeliness and efficiency of shipping cotton to the West Coast for export. Before its inception, PCCA had to ship cotton by road to the Dallas/Fort Worth area before it would go on to the Ports of LA/Long Beach, California, via rail. In removing the trip to Dallas, an estimated 88,000 road miles are saved per train. Since the rail facility's inception, over 3.5 million truck miles have been removed.

PCCA has transformed its Warehouse Division from merely providing storage to one that creates additional value through

industry-leading handling and logistics. For the last 60 years, the division has paid consistent annual dividends to growers who store cotton at these facilities. Employees of the Warehouse Division come to work each day to help provide stability to farmers' operations.

"I think the most impact we can have on our growers is in the efficient, timely shipping of their cotton," Cowart said. "The marketplace continually gives us feedback that cotton is more valuable to them if they can get it shipped timely. So that's our goal. If that allows our growers to get a better price, then that's where we can add the most value at the end of the day."



LEARN MORE ABOUT
THE WAREHOUSE
DIVISION

Scan the code to read more!

1967

PCCA begins offering marketing services to South Texas cotton farmers and opens offices in Corpus Christi and Harlingen.



1971

PCCA, Calcot, Staplcotn, and SWIG join together to form Amcot.



Amcot is an association of America's true, grower-owned cotton marketing cooperatives. Amcot member cooperatives are 100% owned by American cotton growers, focusing exclusively on marketing U.S. cotton globally.

1972

PCCA negotiates the first sale of U.S. cotton to China in 20 years. The 400,000 bale sale was valued at \$60 million.



1973

L.C. Unfred is elected Board Chairman.

L.C. Unfred



L.C. Unfred served on PCCA's board for 25 years and was chairman for 13 years. While he was chairman, PCCA developed TELCOT, an electronic cotton marketing service. Unfred also served as president of the New Home Co-op Gin board for 28 years, Cotton Incorporated board for 20 years, and was the chairman of Cotton Incorporated in 1979 and 1980.



PCCA Develops TELCOT

By John Johnson

1975

PCCA develops and introduces TELCOT, the first electronic marketing system of its kind.

The year was 1975. Cotton growers in Texas and Oklahoma were geographically isolated from traditional cotton markets. Desperate to get a fair value for their cotton, PCCA members took a risk on a futuristic bet and developed the online cotton marketing system known as TELCOT®. The system expanded market access but maintained the viability of local cotton markets. TELCOT initially provided access to more than 40 U.S. cotton buyers, allowing farmers to be price setters instead of price takers as the system offered instant price discovery. Over twenty-five million bales traded across the TELCOT system during the next 25 years.

A record-setting day for cotton trading on TELCOT in 1989 led to PCCA's creation of electronic warehouse receipts to enable faster delivery of legal title to cotton sold to merchants. Co-op gins saved money due to the innovation, making them more profitable for their patrons.

As the new millennium began, TELCOT became the foundation of The Seam®, an online marketing platform owned by PCCA and other U.S. cotton merchants. Thus, the co-op's grower-owners continue to have exclusive access to online marketing for their cotton.

Fast forward to today, and PCCA has expanded its cash marketing choices even further. Today PCCA Direct® and PCCA Direct On-Call are available to grower-owners further to enhance the diverse marketing opportunities available through PCCA.

"It gives our grower-owners a choice and an opportunity to possibly benefit from different market movements over the course of a year," said Mike Canale, PCCA Merchandising Manager. "We tried to provide options that capture prices over different times of the year."

Post-Harvest Marketing Options



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*

PCCA Direct On-Call

PCCA Direct On-Call provides growers the ability to stay long in the market without being long physical bales. Growers that believe cotton futures will increase are most likely to benefit from this tool.

- Only physical bales are eligible (must be ginned and classed)
- Offers growers the opportunity to set or lock in the basis level on a recap today without locking in the price
- Charges stop accruing (warehousing, etc.)
- Growers receive full loan value less customary charges at the time of initial invoicing, which helps meet cash flow needs
- Growers can place a GTC order to set the final price if the market moves to the desired level

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*

Deferred payment arrangements can be utilized for all marketing options.

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

**For more information, contact the
PCCA Sales Department at 806-763-8011.**

1978

C.L. Boggs is named General Manager.



C.L. Boggs

1985

PCCA creates Telmark Inc., to extend TELCOT® services to independent gins and their customers in Texas and Oklahoma.



1986

Jackie Mull is elected Board Chairman.



Jackie Mull

Jackie Mull served on PCCA's board for 24 years and served 18 years as chairman. While he was chairman, PCCA developed an electric title system and extended its cotton marketing services to Central Texas, and Kansas and co-founded The Seam®. Mull also served on the board of Cotton Incorporated, Farmers Cooperative Congress, and was an advisor to the National Cotton Council.

1987

PCCA purchases the American Cotton Growers (ACG) denim mill at Littlefield, Texas.

PCCA members in West Texas and Oklahoma gain access to pool marketing, and a year later, pool marketing is offered to members in South Texas.

AMERICAN COTTON GROWERS
20,000,000 YARDS OF BLUE
PER YEAR, USING



History Unmatched, Future Unprecedented:

PCCA's Seasonal Marketing Pool Puts Southwest Growers on the Map

By Blair White

In the 70s, big creative ideas were happening everywhere. Bell bottom pants and orange-brown color pallets were all the rage. Shag carpet was a staple in American homes. Who didn't have big tinted glasses and Farrah Fawcett hair? A 1973 milestone that shaped the future of cotton was the formation of American Cotton Growers, PCCA's sister cooperative. ACG was the first step toward a pool marketing revival long overdue.

Editor's Note: Cotton marketing pools existed long before the creation of ACG and PCCA's purchase of its denim mill. PCCA offered pool marketing from the very beginning. The co-op offered an "A Pool," and a "B Pool" producers could elect to use. The A Pool was for growers who grew cotton eligible for the CCC loan, while the B Pool served those who grew cotton outside of the USDA program that governed planted acres of cotton. In the 50s and 60s, pool marketing became less attractive to growers due to changing farm policy and faded into the background for several years. During this time, PCCA developed other marketing options for its members.

Then - ACG is Formed

In the 70s, USDA released a study on optimizing cotton gins, confirming the efficiency and effectiveness of what they dub "super gins." Super gins are large, high-capacity gins created by merging several smaller ones. The idea began to take hold in the countryside, and before long Crosbyton, McAdoo, and Wake Co-op gins came together to form American Cotton Growers.

In the early years, ACG began blending its farmers' ginned cotton to achieve higher qualities and higher prices for them. It only made sense that later ACG would build a denim mill to help secure a market for their producers' cotton. In 1975 the idea of building a denim mill gained traction, and ACG expanded to include 26 gins. These gins were the catalyst for change and provided financial support to build the mill in Littlefield, Texas.

ACG's pool kept the denim mill fed with cotton. The growers of ACG agreed that a certain amount of the cotton would be "pooled" to go to the mill. This approach helped secure a place for their cotton and helped them lock in a good seasonal average price for the bales. All of the denim mill's profits were shared among those producers. When these actions formally became a marketing pool, ACG and PCCA signed a joint management agreement stating that PCCA's executive team and marketing staff would manage the ACG pool, and ACG would pay them for their services.

It may have taken nearly 20 years, but pool marketing began to make a comeback. Producers across the plains saw

the profitability and advantages ACG members received from the denim mill and wanted those too. So, in 1987, PCCA purchased the ACG denim mill. The co-op's former pool structure stepped aside, and in the summer of 1987, PCCA began offering pool marketing services to West Texas and Oklahoma producers. Due to the purchase's timing and the pool's new formation, the South Texas crop was already being harvested. PCCA began to offer South Texas pool marketing services in 1988. It quickly became the most popular marketing option around.

It's no secret farming in the 80s was incredibly tough. Though it came about at the end of the decade, PCCA's marketing pool provided strength in numbers to farmers experiencing some of the most challenging economic conditions in rural history.

"Inside the seasonal marketing pool, PCCA producers expect to get a good marketing-year average price," explained Grady Martin, PCCA Director of Sales. "If you do that, you're never going to hit the highs, but you're never going to hit the lows. You're going to just smooth out those peaks and valleys."

Now - Changes Ahead

Over the years, PCCA's pool has remained much the same. The proven system has brought success to the co-op and its grower-owners time and time again. However, the winds of change have begun sweeping cotton fields as multinational cotton merchants created pools to compete with PCCA.

The Grower Choice Pool is a new marketing option developed by PCCA. It does not replace the regular seasonal pool, nor is it a completely separate pool. Grower Choice is an option a pool member can use to set the price on a portion of their production. To use the Grower Choice option, a producer must be a member of the seasonal pool.

"Over the past few years, some producers have said they would like to go out and be able to assign a price for some of the cotton they are delivering to the pool," Martin said. "Grower Choice allows the producer who is a member of the seasonal marketing pool to set a number of bales (up to 50% of their APH) and fix the price on those bales. The remainder of the bales are sold in

the seasonal marketing pool."

Other changes have come with the Pool Committee structure and the development of new marketing options. At the Board of Directors' direction, PCCA is expanding how it can market a bale so growers can customize their operations even more.

"PCCA has always tried to be on the leading edge of technology," Martin said. "Over the years, technology has improved to the point where almost every producer carries a smartphone in their pocket. As a result, some of PCCA's marketing programs need to be updated a little bit. The board has directed PCCA to develop additional grower-preferred marketing options such as the Grower Choice Pool, PCCA Direct®, and PCCA Direct On-Call."

No matter the change that comes down the pipeline, PCCA's ultimate goal is to add value to grower-owners' cotton so they can keep their family farms operating for generations to come.

"I think it's important that we remember that this cooperative was started by growers," said Keith Lucas, PCCA Vice President of Marketing. "It is directed by growers and governed by growers. The growers have a say in it, they have ownership, and there is transparency. All profits go back to our growers, and that is another very important part of a cooperative because we are not a private organization that gives you as much as we want to give you and then keeps the rest. We give you all of the profits we make."

Change is challenging, but it's also necessary. PCCA and ACG's founders knew it when they started shaking the industry up with unmatched, bold ideas. PCCA carries on their legacy today. The future is unprecedented, but it is exciting to watch it unfold.



**LEARN MORE ABOUT
THE GROWER
CHOICE POOL.**

Scan the code to read more!

Pre-Harvest Marketing Options



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 Pool

Our seasonal pool adds value by capturing optimal pricing opportunities through the crop marketing cycle.

- Acreage-based so there's no weather risk
- Focus on farming while our professional traders watch the markets
- Full season pricing model minimizes downside price risks
- Leverage PCCA's global customer relationships
- Receive full CCC loan premiums
- Timely progress payments distributed as the pool is marketed

Grower Choice Pool

Grower Choice Pool lets you determine the price on a portion of your crop. Combined with the security of the Seasonal Pool, it allows you to identify the best market opportunities based on your preferences.

- Choose to price up to 50% of your APH, and the balance of your bales go into the Seasonal Pool. It is well suited for growers with a consistent APH
- Grower Choice Pool bales are marketed separately and do not impact the returns of the regular Seasonal Pool
- Basis is set during the Sign In/Sign Out Period when the number of bales to price is chosen
- Acreage-based contract until bales are priced. If bales are not priced, and a crop failure occurs, provided PCCA is notified prior to the First Notice Day (FND), then there is no obligation to fulfill the contract
- All bales must be priced prior to the FND of the contract month, or PCCA will price any remaining unpriced bales

Deferred payment arrangements can be utilized for all marketing options.

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

**For more information, contact the
PCCA Sales Department at 806-763-8011.**

Turning Cotton Into Cash:

Innovation That Makes Profit

By **John Johnson**

PCCA's appetite for innovation was sparked again in 1989 after TELCOT set its all-time single-day trading record of 385,599 bales. The volume of cotton sold that day was an incredible achievement for the online marketing system, but its aftermath presented a formidable challenge for the co-op's staff.

Paper warehouse receipts, representing title to bales, had to be retrieved for each bale to complete the sales and deliver the cotton to buyers. At that time, the receipts consisted of green IBM paper punch cards stored in a Lubbock bank vault. Each bale also had a punch card containing cotton classing information. To put it in perspective, the total number of punch cards needed would represent a stack approximately 450 feet high. The task would take days to complete, but an innovative idea was already floating around PCCA's Information Systems department.

"We figured out that every day that passed without transferring that many receipts cost us (PCCA) over \$50,000 in interest," recalled Joe Tubb, PCCA Vice President of Information Systems,

before his retirement in 2020. "It was time for a technology solution."

Tubb and other IS team members went to work to bring the idea of automating the process of transferring warehouse receipts to life. Soon, electronic warehouse receipts were born and patented by PCCA. With permission from the National Cotton Council, a pilot project was launched for the 1990 crop at Tri-County Co-op Gin of Dodson in the eastern Texas Panhandle.

Based on the pilot project's success, PCCA implemented the program in its South Texas operations for the 1991 crop year, followed by West Texas and Southwest Oklahoma. It quickly became apparent that growers and buyers liked the speed the electronic system brought to the cotton marketing process. However, PCCA patenting the concept was not well received initially by growers in other parts of the U.S. Cotton Belt who thought the program should be available to the entire industry. PCCA Vice President of Operations Darryl Lindsey at the time explained the co-op paid for the development of the program, and the

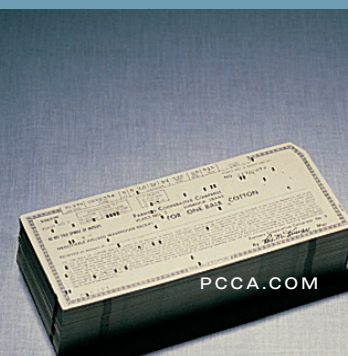
co-op's leadership felt compelled to protect its grower-owners' investment by patenting the program.

Eventually, however, PCCA licensed the rights to the technology to the National Cotton Council for the industry's greater good. EWR, Inc., a new company was created in 1993 as a central clearing house for electronic receipts. It is another example of how PCCA's commitment to innovation benefitted the entire U.S. cotton industry.



1989

An electronic title system is introduced by PCCA, which leads to the creation of EWR, Inc.



1992

Van May is named PCCA President.



1996

PCCA opens a field office in Taylor, Texas, and offers new marketing services to Central Texas cotton farmers.



1998

PCCA purchases Mission Valley Textiles in New Braunfels, Texas.

PCCA also completes implementation of TELCOTnet system for co-op gins.



2001

PCCA enters a joint venture with several cotton merchants and textile mills to form The Seam, an online cotton trading system.



2003

Member Access is launched to put account activity at members' fingertips and so they can receive real-time market information in the field.

Innovative Solutions Delivered to Your Mobile Device

By Jayci Bishop

Whether your office is a F-250 or a John Deere tractor, almost any information you could want can be at your disposal on your smartphone. However, this has not always been the case. PCCA forged a path in this arena for grower-owners to access their account and crop information in 2003 by creating the Member Access website and, later, its myPCCA® mobile app.

“Originally, we started with the idea that we wanted a way for members to be able to view some of their information online,” said Adam Foley, PCCA Applications Programming Manager. “Initially, it wasn’t very much. I think it was just some screens we copied from Gin Services, so they didn’t have to go to the gins to see their accounts.”

Class recaps and statements were the main elements of the system’s original version. The system has continually evolved each year since then, adding value and information with each enhancement. More recently, the Member Access app received an update and facelift to become the myPCCA app.

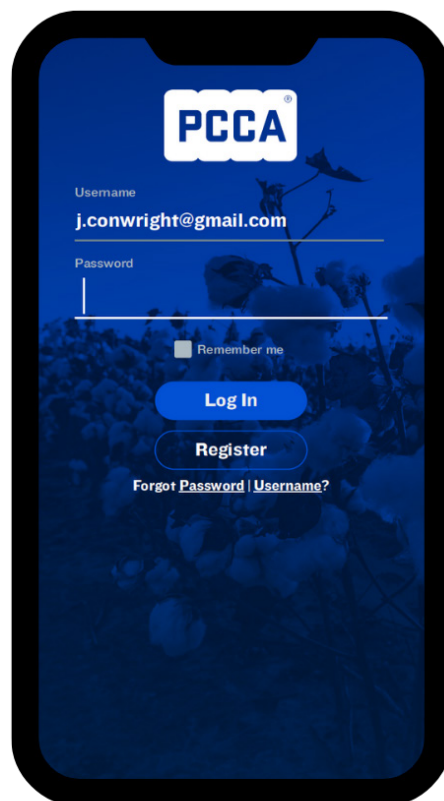
“The myPCCA app was created to further enhance the tools available for our grower-owners. Innovative solutions are at the heart of the DNA at PCCA,” said Corey Smyth, PCCA Director of Cotton Services and Gin Accounting. “The app was designed to do that and make sure that you stay connected and stay in control of marketing your crop.”

Each year Information Systems implements hundreds of enhancements to all PCCA software based on feedback from growers, gins, and employees.

“Most of the ideas for changes and updates to the system come directly from conversations with our grower-owners or their gins,” Smyth said. “That might be at a grower meeting, or gin visit, or at the Gin Workshop. They tell us what they need, and we try to do it for them. I remind growers all the time - PCCA is your company, and this is your app. We want to make it work for you.”

Today the myPCCA app and Member Access systems serve the same purpose – to give growers convenient access to their account and crop information. However, it has also evolved into a place for them to receive information. Today growers can get alerts, view PCCA news, and even sign documents all within the app.

“Well, one of the things my dad used to say is that you can never have too many tools,” Smyth said. “Member Access and the myPCCA app is just that if you are a grower-owner of PCCA, it is one of the tools in your toolbox, and I believe if utilized, it gives you a competitive advantage.”



Download the myPCCA app today:
Scan the code to read more!

myPCCA[®]

Have you ever wanted to have all of your PCCA documents at your fingertips, no matter where you are? Now, you can!

Sign up for Member Access and download the myPCCA app from the app store. Then, sign in and get everything you need. It's that easy!

Features:

- **Electronic Document Signing**
- **Latest News and Updates**
- **PCCA Direct Portal (Accept, Reject & Counter Bids)**
- **Cotton Statements & Payment Register**
- **Encrypted Secure System**
- **Futures Prices**
- **Module Call Ins**
- **The Seam Trading Monitor**
- **Production & Classing Reports**

**Want to know more?
Watch the video here:**





Eddie Smith

Eddie Smith was elected to PCCA's board in 1984 and was elected chairman in 2004. He began farming in Floyd County after graduating from Texas Tech University in 1973. Smith has served as a director of Floydda Co-op Gin and was a past chairman and long-time director of Cotton Incorporated. He also was a member of the Blue-Ribbon Farm Bill Committee of the National Council of Farmer Cooperatives and served as chairman of the National Cotton Council.



Wally Darneille

2004

Eddie Smith is elected Board Chairman
Wally Darneille is named PCCA President
and CEO.

PCCA opens a field office in Kansas
to provide production, ginning,
warehousing, and marketing assistance.



2005

PCCA builds warehouse facility at
Liberal to store Kansas grower-
owners' cotton.

2008

Warehouses consolidate into a single warehouse division to better utilize assets.



2009

PCCA establishes Denimatrix in Guatemala City to become the only fully integrated supply chain for denim in the Western Hemisphere.

PCCA builds warehouse facility in Big Spring, Texas.



2010

PCCA builds warehouse facility in Rule, Texas, bringing total storage capacity to one million bales.



2013

Module tracking launched to allow producers and gins to use mobile technology to manage the pickup and delivery of modules to the gin.



Solving an Efficiency Nightmare: If it Doesn't Exist, Build It

By **Blair White**

Imagine tracking the ownership of thousands of modules from hundreds of growers received by gins each year. How do they know which fields to retrieve them from? How do the modules not get mixed up on the gin yard? It sounds like an efficiency nightmare. Part of the solution is organization and know-how. The other part is **Module Tracking**, one of PCCA's most popular technology services.

This state-of-the-art technology was developed in 2013 at the request of a gin. The gin wanted to "have a finger on" the cotton from when the module was called in at the field to when it became a bale at their facility.

"A gin stepped forward and presented us with the issues they were having, primarily around efficiency, technology, and tracking," said Corey Smyth, PCCA Director of Cotton Services and Gin Accounting. "We thought it was something we could solve, so we took on the challenge."

A team of in-house technology, grower, and gin experts went to work shortly after. The initial development took an entire year, but PCCA's continuous improvement practices lead to enhancements every year.

"We went out to the gin to see what they were doing," said Adam Foley, PCCA Applications Programming Manager. "We drove out to some farms to see where the modules were for that particular gin. We wanted to see how they did business. There was also a lot of programming, and with every gin we have added since then, we have added a few things because each gin does business just a little bit differently."

Module Tracking is a prime example of how PCCA works to meet growers and gins where they are to make their lives easier. If a grower's gin utilizes Module Tracking, they can use the myPCCA app to call in their modules and mark their location in the field. That information is then sent to the gin, which dispatches a truck driver to collect the modules for processing.

Word about Module Tracking didn't take long to spread to the turnrows in 2013. A decade after the initial launch, roughly 100 of PCCA's software systems gins use Module Tracking.

The development that came later in 2015 was even more exciting. Module Truck Tracking became an optional feature of the software, allowing the gin to see where their truck driver is en-route to or from the field. The technology also helps the driver select the most efficient path, helping reduce fuel and labor costs for the gin.

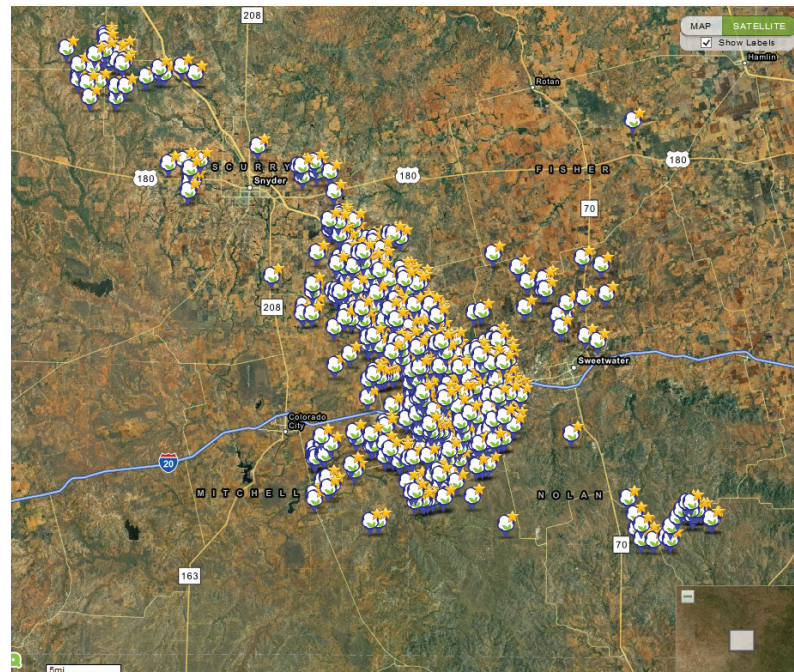
"Module Truck Tracking has evolved thanks to the advancement of the cellular data network, mobile devices, and great programming from our Applications Programming department," said Nathan Jones, PCCA Technical Services Manager. "The ability to tag the location of your modules in the field, dispatch drivers to exact locations of those modules, and know the exact direction, speed, and course the module trucks are taking – it is all for the betterment of the gin and the grower. PCCA's Help Desk can configure and provide the tablets and provide support for that service as well. Add that in, and PCCA has a product that is second to none."



WANT MORE OF
THE STORY?

Scan the code
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2014

Scale Capture introduced as gin software to increase accuracy for call-in, ginning list, turnout adjustment, and scale ticket upload services.



Kevin Brinkley

2015

Kevin Brinkley named PCCA President and CEO.

Module Truck Tracking launched to give gins the capability of tracking the movement of modules from the field to the gin in real-time.



2020

PCCA announces high-efficiency train project to supply world markets.

Dahlen Hancock named Board Chairman.



Dahlen Hancock

Dahlen Hancock was elected Chairman in 2020 and has represented grower-owners on the PCCA board since 2016. He is a fourth-generation farmer in New Home, Texas, where he is a director and past president at the New Home Co-op Gin. Hancock is a past chairman of Cotton Incorporated and Cotton Council International. He is a delegate to the National Cotton Council of America and serves on the U.S. Cotton Trust Protocol board.

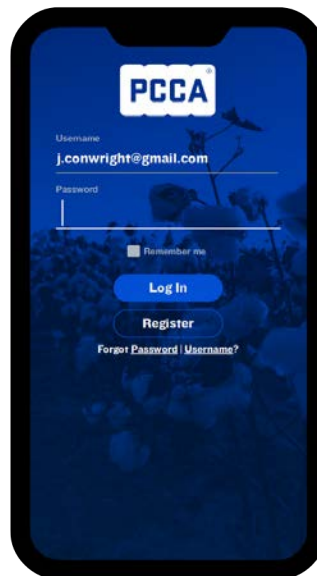
2021

PCCA builds warehouse facility in Clearwater, Kansas.



2022

myPCCA mobile app is launched.



PCCA 1953-2023



**WHAT MAKES PCCA
DIFFERENT?**

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“The most sustainable thing we can do for our grower-owners is, first of all, make them profitable. That is the foundation of sustainability. To do that, we have to continue to innovate and find ways to solve impossible problems. You know, there are days when it seems like we just cannot catch a break with the weather or markets or whatever it is. I do not personally subscribe to that. There are ways that we can attack every single problem out there, and we have to keep that spirit of innovation going so that we can help our growers have a bridge to the future when tough times come.”

- Kevin Brinkley, PCCA President & CEO

In 2023

The last time the Yankees won the World Series was 2009. They have won the World Series a total of 27 times, with 11 wins since 1953.

Bananas are 63 cents/pound.

Milk is \$4.31/gallon.

A loaf of bread is \$1.99 on average.

\$48,000

Average cost of a new car

\$3.47

Average cost of a gallon of gas

The most popular baby names for boys are Quinn, Leo, Arthur, River, and Axel. The most popular girl names are Olivia, Emma, Amelia, Charlotte, and Ava.

\$58,563

Average income per year

\$264,000

Average cost of a new house

\$1,082

Average monthly rent

A first-class postage stamp is 58 cents.

The average price of a Cotton Bowl Classic ticket is \$2,351.

84.9% of Americans have a television.

The struggles of agriculture are undeniable - but do you know what else is undeniable?

The fact that there is help available and hope for a better tomorrow. If you find yourself on hard times, you're not alone.



These resources are available to you, your friends, and family. Learn more about rural mental health and what you can do to help:

NATIONAL SUICIDE PREVENTION LIFELINE

1-800-273-8255

The call is free and confidential, and 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.



Visit the PCCA website

Scan the code to read more.



Curtis Stewart

Two-Time Ginner of the Year

Story & Photos By **Jayci Bishop**



SPADE
CO-OP GIN
Spade, TX
806-233-2331



Forty-one ginning seasons deep, Curtis Stewart has learned that no two days in the cotton industry are the same. From managing employees to being custodians – gin managers can wear many hats. For all the hats he wears, Stewart was honored as Ginner of the Year by both the National Cotton Ginners Association and the Texas Agricultural Cooperative Council earlier this year.

Stewart grew up in Tahoka, Texas, and graduated from Texas A&M University with a Bachelor of Science in Mechanized Agriculture. Following graduation, he joined a training program for cooperatives in Lubbock and worked for a few cotton cooperatives, including PCCA, Farmers Cooperative Compress, and New Home Co-op Gin. Stewart later earned an Agriculture Engineering degree from Texas Tech University while working at the USDA South Plains Ginning Laboratory in Lubbock. He relocated to Casa Grande, Arizona, to work as an engineer for Chickasha Cotton Oil Company before becoming president of Dumas Cotton Gin in Dumas, Arkansas. He spent 16 years in Arkansas before he moved back to West Texas in 2011 to join Spade Co-op Gin as General Manager.

A day in the life of a gin manager can vary depending on the time of year. Stewart said he strives daily to serve his members and fulfill the responsibilities his growers have entrusted him to do.

“I hope I have a good relationship with them,” Stewart said. “It is rewarding when they come in and ask for knowledge. I have covered lots of things and to be able to draw on that knowledge and help with things, be it sprinklers, be it irrigation, be it life experiences. As the gin manager we get to do everything from counseling to almost anything. It is many hats, many days.”

Spade Co-op is continually innovating and looking toward the future. Stewart is a proponent of the co-op business model and tries to add value to growers’ cotton at any opportunity. Serving members is a true cooperative principle he lives out daily.

“There is a whole lot of technology coming in,” Stewart said. “We are having to trade labor for capital. We are working with the USDA Gin Lab on our plastic protection. We have helped them and have equipment installed out here that they are looking at trying to help the industry and ourselves stay on top of that.”

Like any profession, cotton ginning has both its rewards and challenges. Challenges can be difficult days or entire ginning seasons. The 2017 season stuck out in Stewart’s mind as particularly difficult.

“I think 2017 was a challenge when we had the stick year,” Stewart explained. “It was a challenge to get through that year. It was one of the hardest years that I can remember. Just the way the cotton came off the stalk, it just did not gin. It slowed operations and tried everybody’s souls.”

He said he enjoys looking back on each day, what challenges they faced, and what they accomplished. However, some trials gin managers face may be better viewed as opportunities.

“I think it is coming to work and really not knowing what the day holds,” Stewart said. “I get to be everything from the cotton ginner to the custodian. It is procurement to politician. It is a challenge, but it is an opportunity, not a threat. You just get up, and you don’t know what is coming.”

Stewart is no stranger to serving the cotton industry. He served two years as NCGA president and is the outgoing NCGA chairman. He is a past president of Southern Cotton Ginners, Planters Cotton Oil Mill, and Dumas Cotton Warehouse. A graduate of the National Cotton Council’s Leadership Program, he has served on multiple NCC committees, as a NCC director, and director of Cotton Council International. He is also the past chairman of the Joint Cotton Industry Bale Packaging Committee.

Stewart was named National Ginner of the Year by NCGA. The annual NCGA

honor is awarded to a ginner in recognition of, “able, efficient, and faithful service to the ginning industry, and continuing those principles exemplified and practiced by Horace Hayden, a former NCGA executive secretary.” He also was named Ginner of the Year by TACC based on similar merits. Stewart said he was honored to receive the Ginner of the Year awards. He was shocked his wife could keep the secret for many months.

“I was proud and humbled,” Stewart said. “I was proud for my folks, my producers, and the people that have supported me and helped me do that. I have said before – something that kind of comes out of the Mid-South – if you see a turtle on a fence post, it did not get there by itself. So that is really how I feel.”

The success in his career did not come without support and sacrifices, mainly from his wife and two sons.

“It is one of those things that you have

to make sacrifices for, ginning cotton the way we do,” Stewart said. “I said that during the acceptance of the National Ginners award. Both of my kids got with me after that and told me they did not feel slighted when I was not there, because this thing comes first. My wife, Susan, becomes chief cook and bottle washer when I am here. That is something that takes a special, special person and I love and respect her for that because she is the rock at home while I am here.”

Stewart may be a man of many hats, but the people matter most in his life. He has dedicated his career to serving cotton growers and has enjoyed it every step of the way.

“Spade Co-op is a great bunch of producers that really support their organization here,” Stewart said with pride. “It is fun to work for them, and there is lots of support.”

What does a day in the life of a gin manager look like?

“We are everything from procurement to custodians. We are making sure the plant is ready to run. Making sure that we have the people to do that. Keeping all the paperwork from all the programs going. You’ve got ancillary things like fuel and inputs; they are overseeing that. It is a vast list of things that some of us do.”

How would you encourage others to join the cotton industry?

“I have less seasons in front of me than I have behind me. It is a great place to come. There are fewer and fewer of us as we consolidate and places get bigger, but that means there are bigger opportunities for those that come behind us. I hope those that come through and look don’t get discouraged, and truly look and see what we do because it is a great industry. Follow us around and find the internship. Don’t get discouraged.”

THEN

18% of the 1952-53 crop was machine-harvested

82% of the 1952-53 crop was hand-harvested

71 cents/bale

the average receiving charges at compresses and warehouses across the Cotton Belt in 1953

31 cents/lb.

the average cost of producing cotton in 1953

32 cents/lb.

the average cotton price in 1953

232 lbs.

average yield per acre of Upland cotton

ALL of the U.S. crop is machine harvested

30% of cotton grown in other countries is hand-harvested

\$4.35/bale

the average receiving charges at compresses and warehouses across the Cotton Belt in 2023

479 gins

were active in the 2022 crop year

734 lbs.

average yield per acre of Upland cotton

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**SPECIAL
EDITION
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