

FIELD & FIBER

A Plains Cotton Cooperative Association Publication

Volume 54, Issue 2

Fall/Winter 2024

FAITH IN FULL BLOOM

The Heart of SkyGardens

PAGE 30

INSIDE

**Chris Berry: Leading
Innovation, Preservation, &
Community on the Texas
High Plains**

Farming Through Adversity

**PCCA's Commitment to
Company Culture**



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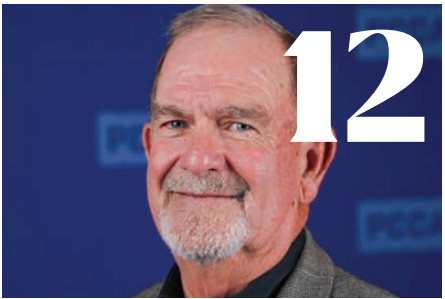


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Stronger Together
We're stronger together, inside and out. We invest in our employees because they, in return, invest hard work and innovation in you.
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FROM THE PRESIDENT



A Letter From The President

In times like these, when weather, prices, and costs test our resolve, it's more important than ever to keep the faith. We face a challenging season, but I am heartened daily by the resilience I see in our industry. We are part of a community that pulls together, leans in, and supports one another—and that makes all the difference.

One source of inspiration is young entrepreneurs like Skyler Richardson, who is featured on the cover. Influenced by a cotton farming legacy, Skyler is charging forward in a different kind of farming—flowers. Skyler told us, “Some of us are like, why are we doing this? This is insanity in West Texas.” I imagine every farmer in Texas, Oklahoma, Kansas, and New Mexico can identify with that thought at the moment. Skylar's resolve is refreshing, and we thought a little of the beauty that she grows would be welcome amid some dreary times.

This issue also features the wisdom and encouragement of seasoned veterans like PCCA Director Billy Eggemeyer and Chris Berry, the General Manager of Southwest Cotton Growers. Both can testify that grit and determination keep us going.

In our industry, we've recognized that now is a time for self-examination as well. PCCA is not just holding steady—we're striving to improve, building demand for U.S. cotton, and enhancing our product to be more competitive. Through these collective efforts, we're working to strengthen our standing and create new opportunities for tomorrow, even as we address the pressing issues of today.

We are all in this together, and I am grateful for the strength of our community. As I read this issue, I'm increasingly confident we will continue to overcome these trials and emerge stronger. I hope these stories do the same for you.

With gratitude,

C. Kevin Brinkley

Kevin Brinkley
President & CEO

P.S. To our loyal PCCA grower-owners, thank you for standing with us and believing that we're stronger together. Your dedication fuels PCCA.



2025 Agriculture Outlook: Key Factors Influencing the Farming Landscape

By Blair White

One of the best pieces of generational advice is not to borrow tomorrow’s trouble. If only that could be applied to agriculture. Before one crop year concludes, farmers and ranchers have no choice but to start thinking about tomorrow, about next year. You can’t sugarcoat it; we are living in the most challenging economic and political conditions for agriculture since the 1980s.

Blair Fischer, Ph.D., is no stranger to the struggles of production agriculture, and he is more familiar than most with the policy that shapes growers’ operations each year. The Cambridge-educated Co-Director of Texas A&M’s Agricultural and Food Policy Center spent his formative years with his boots in the dirt of Southwestern Oklahoma on his family’s cotton, cattle, and wheat operation. He still plays an active role in the family farm today. Fischer began his career in Washington, D.C., and was involved

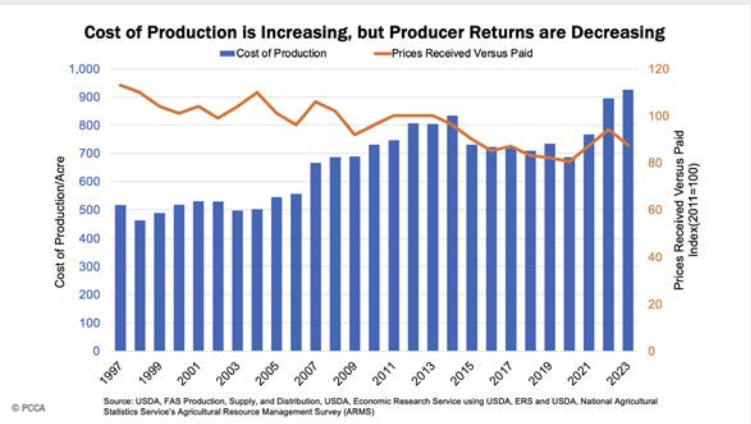
in developing the 2014 and 2018 Farm Bills. He also served as Chief Economist to two Chairmen of the House Agriculture Committee. Fischer has a unique perspective on agriculture as a producer and an industry professional. While it would take many more pages to list all the factors influencing the 2025 agriculture outlook, it can be definitively said that agriculturists are still dealing with the lingering effects of inflation, sky-high production costs, and stalled-out farm policy. The question everyone is asking today is, what can we do about it? “It is still entirely possible for us to set the stage for 2025,” Fischer said, “but to do it in a way where growers have the tools to navigate it.”

The Cost of Production

When the government infused trillions of dollars into the U.S. economy during the pandemic in 2020 and the years following, the action had an unprecedented effect on inflation. Now, nearly five years later, farmers are experiencing historically high input costs due to inflation that has only recently leveled out. “The trillions in stimulus have unquestionably had an effect,” Fischer said. “The flip side is that for agriculture, some of that spending was absolutely vital for stabilizing operations.” In August 2020, the U.S. inflation rate was 1.3%. Inflation reached its peak in June 2022 at 9.1%. In September 2024, we experienced an inflation rate of 2.4%. While decreasing inflation rates are welcome, Fischer says that only looking at current rates ignores the fact that the actual cost of goods, like farming inputs, is still exponentially more expensive today. Unfortunately, a decrease isn’t necessarily in sight. “We are celebrating the fact that inflation is stabilizing at 2.4%, but that ignores the fact that costs have exploded over the last several years,” Fischer said. “While the inflation rate may be slowing down to normal levels, we are living with those elevated prices. They aren’t coming down; the rate of increase is just slowing.”



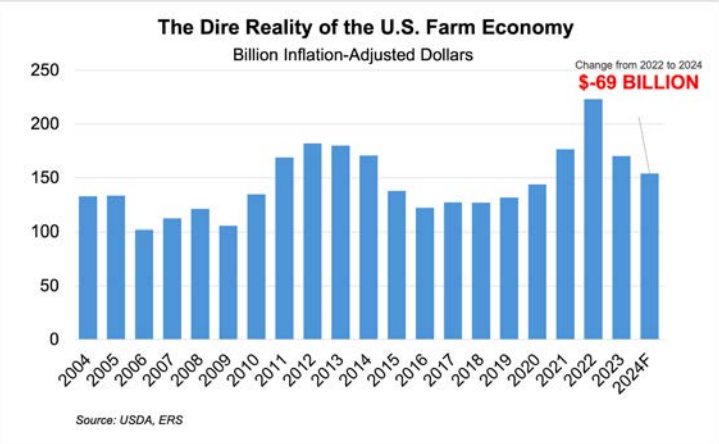
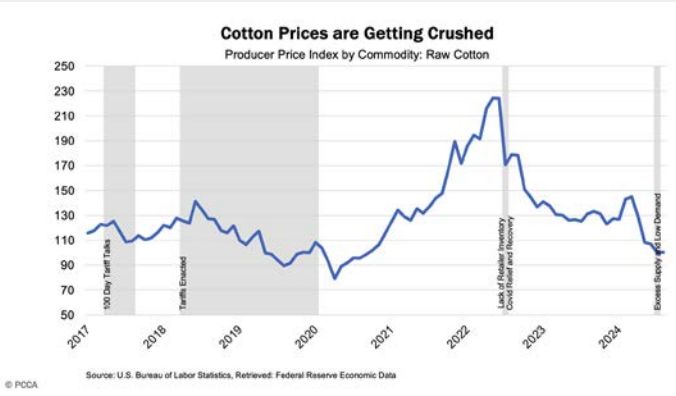
The challenge here is that there’s only so much producers can do. It will be a matter of their risk appetite and how close they want to stick to their rotation. It’s largely a question of how much am I willing to put out there and risk on the prospect that prices might go up during the growing season?” Historically, growers have had to increase the size of their operations each year to survive and weather the rising cost of production. Current expenses may be a roadblock for many when it comes to expansion next year. “When I talk to people who aren’t involved in production agriculture both in and outside of D.C., the answer to them is seemingly simple – if prices are low, you cut back on production,” Fischer said. “That sounds great, but if that’s your livelihood and if you don’t plant something, then you don’t make anything to feed your family. It sounds nice in a textbook, but in reality, it doesn’t work. I know growers will be looking to cut costs where they can. That dynamic hasn’t changed over the last two to three years, and it likely will be even more pronounced in the new year.” Inflation and the rising cost of production increase agriculturists’ sensitivity to low commodity prices because the margins are slim. Typically, whatever is lost in commodity price must be compensated for in yield or by increasing production. Unfortunately, that strategy may not be an option in the current economic climate. “In agriculture, in particular, input costs are notoriously sticky,” Fischer explained. “They go up and don’t come down. Prices have come down 20-30% over the last two years, but costs are stagnant. How can you make it? One, you hold on for dear life; two, the federal government plays a role; and three, you hope for above-average crops. It’s a lot harder to figure out when there’s no buffer.”



Fischer says managing input costs will be essential in 2025 despite the difficulty of the task. “It’s about finding your way through that cost-price squeeze that is all too familiar in agriculture,” he said. “That’s the name of the game – managing costs.

Price Outlook

Another critical factor on the horizon is the cotton price outlook for 2025. Fischer explained that cotton prices still have time to rebound, which could make the outlook for next year more palatable. Recent trends, however, show a continued decrease. Cotton prices have fallen 28% since 2021, 22% from 2022-2024 alone. Monitoring the futures market can help growers prepare for next year. “That’s the number to be most concerned with – where do prices go? We went into the 2024 growing season with a price of 83-84 cents per pound on insurance, so if it doesn’t rebound between now and the spring, growers are looking at being able to insure a price that’s well below their cost of production and well below their break even,” Fischer said. “As challenging as the last couple of years have been, we haven’t started that low, so that adds a new challenge.”



It's too early to say whether cotton prices will work in favor of producers next year. World cotton production is expected to increase next year and even outpace mill use (USDA). An oversupply of cotton could cause prices to drop even further. At the time of this article, year-over-year world-ending stocks are projected to be at their highest levels in five years.

While the U.S. agriculture industry urgently needs a farm bill, Fischer said the legislation won't impact the market and is not designed to. Market prices are dictated by factors like consumer demand, inflation, commodity surpluses, and more that weigh on market fundamentals. Instead, the farm bill would provide the support many agriculturists need to stay in business.

"A farm bill is not designed to shift the market," Fischer explained. "It's designed to come alongside the grower, acknowledging that this is a precarious business, and give growers the confidence that if they decide to stay in farming, they won't be forced out of business. We don't want farmers going out of business in mass. A new farm bill gives growers the confidence to carry on in their operations."

Government Support

All eyes are on the Hill in Washington, D.C., waiting for a farm bill to be passed. One thing growers should remember for 2025 is that funding hasn't come via the farm bill in the last few years—it has come through ad hoc assistance through the appropriations process. Will a farm bill help? Yes. Will it fix all the problems we see creeping into 2025? It's not likely.

"If you look at direct government support to producers, it's at the lowest level since 1982 during the height of the

farm crisis," Fischer said. "We are in a situation now where commodity prices have collapsed but the farm bill is languishing. It's hard to get anything done because there is much work to be done, and there is so much dysfunction in Washington, D.C. With that said, there seems to be growing acknowledgement

in D.C. about bleak economic conditions in rural America. Whether it's a new farm bill starting in 2025, economic assistance for 2024, or natural disaster assistance for 2023 and 2024 - or some combination of those three things - I'm hopeful that Congress will be able to deliver some level of support before the end of the year."

One challenge of current farm legislation concerns ARC and PLC's income support programs. According to Fischer, the support levels on those programs make

Title One increasingly irrelevant for farmers whose sole income is farming.

"The reality is, very little support is kicking in, and when it does kick in for many full-time family farmers, the support levels are so disproportionate to the risks that they face that it is not going to provide a level of support that would keep them from going out of business," he explained. "I don't want to undersell a new farm bill. It can absolutely, unequivocally help, but how much it helps will depend on how much the reference prices and payment limits are increased."

What You Can Do

Other than fighting the good fight and weathering the storm, one action growers can take to help agriculture gain support is to tell their stories to their legislators.

"Growers have to be conveying their concerns to their policymakers," Fischer expressed. "There is absolutely no substitute for a farmer or rancher telling

their story themselves. You don't have to talk to the members of Congress; you can talk to the staff. Tell them exactly what it's like for you on your operation, exactly what you are facing, and how hard times are. Insist that something gets done. You may hesitate to call because you think your member knows this. That member may know it, but they may not be aware of the sense of urgency, and urgency is what gets things done in Washington, D.C."

Next year may already be setting up another sizeable challenge for agriculture, but if growers and other agriculturists demand change, the probability of navigating the churning waters increases.

"Everything we do is challenging, but there's a tremendous amount that's rewarding about production agriculture," Fischer said. "There's also a tremendous amount of risk, but we will find our way through it now and we will find our way through it next year, too. For the sake of our nation's producers, I prefer that we do that in a coordinated manner with sound farm policy."



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



Vice President Spotlight: Debbie Bolding

There are five vice presidents that make up the executive team at PCCA. Each plays a critical role in the execution of board directives and project success at this cooperative. Debbie Bolding, PCCA's Vice President of Information Systems, oversees all PCCA's technology-related initiatives. Debbie has worked at PCCA since 1988 and assumed her current role in 2020.

Get to know Debbie better in the following Q&A.

Were you raised in agriculture or the cotton industry?

Yes, I grew up in Morton, Texas, where my grandfather, dad, and brother were all cotton farmers. We lived on one of our farms until I was in the fourth grade, and later, we built a house and moved to town.

In your opinion, what makes PCCA special?

Without a doubt, it is the people! Not only my coworkers but also the producers, gin employees, and the other merchants – all the people in the cotton industry are incredibly special. They have remarkably strong work ethics and are truly family-oriented, caring, and compassionate.

What is the biggest advantage or benefit PCCA grower-owners receive by utilizing our services?

The most significant advantage to our grower-owners is that by supporting us and marketing through us, they are supporting themselves. All of PCCA's profits are returned to our grower-owners.

How does PCCA add value to gins?

PCCA offers and supports many services for the gins. We strive to provide the latest technology, constantly improving our systems to make their jobs as easy as possible. We have staff on call 24/7 year-round to be there and help when there are issues. Gins are such an integral partner for our grower-owners to be successful.

What is something PCCA does that our growers or gins may not know much about?

We pioneered many firsts in the cotton industry. PCCA was the first in the industry to set up and use High-Volume instrument (HVI) equipment to classify cotton. This reduced expenses and saved valuable time. PCCA developed the first electronic trading system, Telcot, in 1975, expanding market access to multiple buyers nation-

wide. PCCA created the Electronic Title System (ETS) patent, which reduced costs, improved efficiency for gins and merchants, and expedited shipments to mills and customers by eliminating paper warehouse receipts. The Seam®, Module Tracking, Module Truck Tracking, Grower Choice, PCCA Direct®, and PCCA Direct On-Call are just a few of the many options offered at PCCA.

What is your hope for the future of PCCA?

My hope for PCCA is that it continues for many generations to come and that we continue to do what our predecessors founded this company for: to help our grower-owners get the best possible price for their cotton and help them be successful.

Why are you proud to work for cotton farmers?

Farmers are the hardest working, most loyal, giving and caring people. They are faced with obstacles they have absolutely no control over, but they get up each day and try again. They also deeply cherish their faith, families, friends and communities.



Weathering the Storm:

How Farmers and Meteorologists Work Together to Battle Unpredictable Weather Patterns

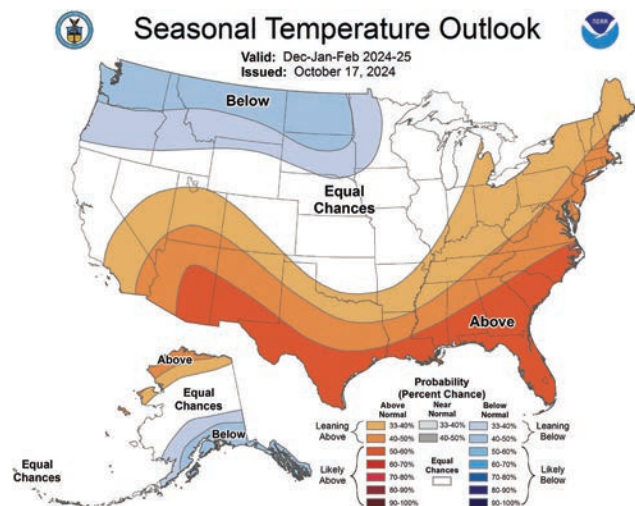
By **Kaylee Hendricks**

One of the most significant battles farmers fight in agriculture is the weather, a relentless and unpredictable enemy that shapes the success or failure of crops. From droughts to floods, heatwaves to frosts, the weather directly impacts planting, growing, and harvesting, making it a central focus in production agriculture.

Understanding the role of weather in agriculture leads us to how meteorologists utilize advanced tools and data to predict these crucial weather patterns. Weather forecasting is a blend of science, technology, and human intuition. According to Jacob Riley, Chief Meteorologist at KLBK News, meteorologists rely significantly on data. To create accurate forecasts, meteorologists analyze what the models predict and current weather conditions like drought, temperature trends, and precipitation levels.

“We look at a lot of data; specifically, we look at numerical weather prediction models,” explained Riley. We use different complex math formulas and plug in other variables that we get from weather stations, sensors on the ground, and weather balloons that we launch into the atmosphere. We plug those into the initial circumstances into these equations, and then a supercomputer solves them. It gives us an estimated guess as to what will happen in the future, but it’s our job as meteorologists to know the different biases. That’s where our job is crucial.”

The Mesonet system is a unique tool in weather forecasting, especially in the Southwestern U.S. Mesonet is a network of weather stations constantly collecting real-time data on various weather parameters. Riley explained that his team uses Mesonet data daily to understand regional weather conditions. These stations collect an array of data, such as temperature, humidity, wind speed, soil moisture, and rainfall. The Mesonet provides localized data, allowing meteorologists to see how weather conditions differ from one area to another,



which is especially important in regions with varying topography and climate conditions.

“The purpose of the Mesonet System is to provide these local community-type stations with accurate weather measurements from all around the region so that people get a good understanding of what the weather’s actually like in their areas,” Riley said. “One thing that I know is good that they provide for farmers are those eight-inch soil temperatures, which are important for moisture purposes, temperature purposes, and other things like that.”

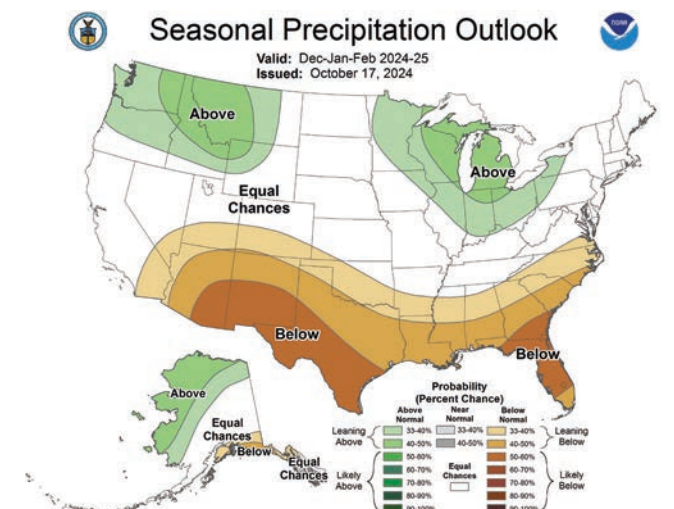
Future Weather Predictions

Given the weather trends over the past few years, the Southwestern U.S. is well-acquainted with what the weather predictions might look like in the short-term future. In 2024, we experienced active moisture patterns and extreme temperatures. This year brought significant variability, with more active weather patterns and high-pressure systems keeping us dry. The summer months were marked by heatwaves, with occasional relief provided by rainfall. Toward the end of 2024 and going into next year, we can expect a colder December and a warmer January.

As we approach 2025, we will move into what is known as a La Niña pattern, which signals a trend toward below-average precipitation and above-average temperatures. Riley explained that this forecast, while not entirely welcoming news for agriculture, points toward a drier and warmer period throughout the year. Despite the inherent uncertainty in long-term weather predictions, there’s a considerable expectation that we will experience reduced rainfall or snowfall and temperatures that surpass historical averages. As we progress through the year and into next spring and summer, the weather is expected to shift toward a neutral phase, moving away from La Nina or El Nino conditions. Despite potential fluctuations in temperature and precipitation, the overall expectation is for weather conditions to normalize.

“From December of ‘24 through, say, February of ‘25, the overall trend, the average will be a little bit warmer than what we usually see based off of previous historical data, and it will be a little bit drier based off that data,”

“IT GIVES US AN ESTIMATED GUESS AS TO WHAT WILL HAPPEN IN THE FUTURE, BUT IT’S OUR JOB AS METEOROLOGISTS TO KNOW THE DIFFERENT BIASES. THAT’S WHERE OUR JOB IS CRUCIAL.”



explained Riley. “As we head later into the year, especially in the growing season and the peak of the growing season next spring into summer, we start to transition back to a neutral phase, so it’s not La Nina or El Nino. What that can do for us is provide a sliver of hope for more rainfall with an active monsoon season. Of course, there will be times when we have more rainfall, just like through the winter. Even if it will be above-average temperatures or below-average precipitation, you’ll still have snow, cold, and rain spells. Overall, the average looks to get closer to normal as we head through the growing season next year, and in terms of getting close to the harvest season of 2025, we don’t know as of now. Still, hopefully, those trends will continue to provide us a little more hope that we’ll have actual rainfall.”

While weather remains an unpredictable and often daunting challenge for farmers, analyzing data, understanding trends, and predicting upcoming patterns enables farmers to make informed decisions, adapt to changing conditions, and better prepare for what lies ahead. As we move into 2025 and beyond, the partnership between agriculture and weather forecasting will continue to evolve, providing crucial insights that can help farmers navigate the uncertainties of Mother Nature and ultimately support the future of agriculture.



Jacob Riley
Chief Meteorologist,
KLBK News



Farming Through Adversity - You're Not Alone

By **Billy Eggemeyer**
PCCA Board Member, District 9
Midkiff, Texas

Throughout this year, I've often thought of my wife's favorite phrase: God will provide. It seems like He is testing us right now and seeing how long we can make it with no rain. This is probably one of the most challenging years we've had. I say that and am used to farming with very little water.

I was born and raised in Midkiff, Texas, and still live there today. I've been farming since 1975 when my dad was killed in a farming accident. I like to say I had 19 years of fun and then got condemned to manual labor. Two of my sons, Russ and Bo, came back to farm 14 years ago and we now farm together. They started out helping me when they were 10 and 12 years old. When we started farming in that part of the world, our fields were all pasture. A lot of blood, sweat, and tears have been poured into that land. I wouldn't trade this way of life for the world, and I hope there's still farming to be done when my grandkids get old enough to join the operation.

Anyway, let's talk about this year. When we started making our plans back in '23, we figured it would be another dry year if we didn't get any winter moisture and accounted for that. We have some irrigated cotton, but a good portion of our operation is dryland. About May 15 of this year, we got 1.5 inches of rain, got all we had planted growing, and thought it looked pretty good. We thought we'd be set if we could get one more rain in July and August. We did get another

two inches of rain around September 10, but it was preceded by multiple 100 + degree days in August. After that, the dryland never grew again. Our water table dropped 20% from this year's heat. Our drip systems once had anywhere from three to four gallons an acre, and now all they can pump out is two or lower – or none. Needless to say, this year's harvest will go rather quickly. By the time you're reading this article, it will likely be over.

It's tough to keep going when a good portion of what you plant either doesn't come up or fails. As farmers, we want to see everything through to harvest. Harvesting cotton is extremely expensive – the fuel, labor, and supplies. If you can name it, there's a dollar sign attached to it. The reality is sometimes accepting the insurance price is what's best for your operation. Nobody wants to hear that, but it's true. Some years, you have to do whatever you can to survive. To put these astronomical farming costs in perspective, I bought a new tractor in 1988. It cost about \$50,000. I recently had to replace the motor, which cost \$35,000 – over half of what I originally bought the entire tractor for. It's unbelievable. I probably should have just bought a new tractor.

All that to say, farming has become too much of a "you have to inherit it or marry it" occupation. I worry for the generation that is just starting. I urge ag lenders or bankers to hang with their clients during these tough times. We must have the capital to keep farming. If we don't grow cotton, the gins lose money, the regionals lose money, and it all falls apart. What

ripples out from that will affect far more than just you and me.

That's a lot of gloom and doom, and I don't mean for it to be, but this is my realistic take on the crop year and other events we're experiencing. I am a PCCA Board Member and advocate, but I am a farmer first. I've been in the marketing pool since right after I started farming. I've seen the good and bad years and can confidently tell you I've benefitted from having those experts sell my crop. In challenging times like these, I urge everyone to at least look at and consider the pool for their operation.

I advise any farmer reading this article not to spend more money than necessary. If you're going to irrigate, plant what you can water appropriately. Lastly, get on your knees and pray that we can get some rain one of these days. That's what I'm doing.

You know, despite the struggles, we'll still pay our bills. Some of the bigger, newer equipment may have to wait, but the good thing is we still have God, our family, and our health. We will see the other side of this adversity, and I feel it just like you do. We're in this together.



WE CARE ABOUT YOU

Farming isn't just a job - it's a way of life. We know right now, perhaps more than ever, it's a way of life that is under pressure. Tight margins, unpredictable weather, and market shifts can make even the strongest feel overwhelmed.

At PCCA, we care about you. we understand the unique challenges you face. We believe in supporting each other in good and bad times. We're here to lend an ear, offer a helping hand, and provide the resources you might need to navigate these challenging times. You're not alone in this.



Scan the code to view our **Farm Stress: Help & Hope** resources.



Amcot: The Voice of American Cotton Growers



By **Kaylee Hendricks**

In rural America, grower-owned cooperatives handle, process, and market almost every agricultural commodity, source farm supplies, and provide credit and related financial services, including export financing. Earnings from these activities are returned to growers, improving their marketplace income. Grower cooperatives also provide over 250,000 U.S. jobs with a payroll of over \$8 billion, contributing significantly to rural America's economic well-being.

Amcot is an association of America's true, grower-owned cotton marketing cooperatives. PCCA, Calcot, Staplcotn, and Carolinas Cotton Growers are Amcot members and are 100% owned by American producers. The organization focuses exclusively on positioning U.S. cotton in a global marketplace. Amcot member cooperatives are responsible for originating and marketing as much as 40% of the annual U.S. cotton production.

Amcot's mission is to represent member cooperatives in all facets of the U.S. cotton marketing industry, domestically and internationally. The association gives member cooperatives a seat at the table throughout the U.S. cotton industry and a louder voice in Washington, D.C.

"The member cooperatives that comprise Amcot provide a balanced voice for their grower-owners in D.C. and global cotton markets," said Meredith Allen, Amcot chairman. "Amcot ensures that members of Congress and the Administration understand how trade policy, farm policy, and other issues affect the growers that own these businesses. Amcot is the voice of grower-owned marketing."

Amcot companies are dedicated to enhancing growers' returns through innovative and cooperative marketing programs. These programs are crucial to increasing the value of cotton at the farm gate, ensuring that growers receive the best possible returns on their hard work and investments. Amcot's commitment to supporting growers extends beyond marketing, as its members also offer comprehensive, integrated logistics and warehousing services, which allow growers to maintain control over the delivery of their products.

Amcot cooperatives take pride in hosting the bi-annual Sales Conference, an essential event that serves as a platform to communicate the value of U.S. cotton to their worldwide sales network. This event is open to industry leaders, innovators, and market experts worldwide. Amcot is committed to providing exceptional service to its cus-

tomers, both before and after the sale, further enhancing the reputation of U.S. cotton.

As members of the National Cotton Council and the Cotton Growers Warehouse Association, all Amcot companies offer tailored marketing plans and integrated risk management services in every U.S. cotton-growing area. They provide critical policy support to USDA by acting as Cooperative Marketing Agents and ensuring timely and accurate use of the Marketing Assistance Loan.

Amcot companies are at the forefront of promoting the sustainability of U.S. cotton. They are the leading advocates of grower membership in the U.S. Cotton Trust Protocol. Amcot also provides valuable financial and technological services within the supply chain, aiding growers from the field to the end user and assisting the USDA in implementing farm programs. This supports thousands of growers and reduces the federal government's administrative burden.

All Amcot member cooperatives work directly with growers, taking their concerns and insights and amplifying them. Amcot provides a powerful platform for political representation and a seat at the table to make their voices heard. This ensures that the concerns and needs of the agricultural community are addressed effectively. Today, the most important initiative is working to achieve a higher safety net for growers who are all facing a dire financial outlook with current commodity prices and the high cost of production. Amcot is recognized in Washington, D.C., as a powerful voice for thousands of ag producers from many geographical areas across the United States. For more information, visit amcot.org or scan the QR code below.

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- Hank Reichle – Staplcotn Director
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PCCA IS YOUR FRIEND IN THE FIGHT. WE KNOW YOU NEED A FARM BILL.

We also urge you to express your concerns and desire for a new farm bill to your elected officials. Scan the QR code below to find out who represents your district and how to contact them.

USE YOUR VOICE.

THE FUTURE OF AGRICULTURE DEPENDS ON IT.



Senate



House of Representatives



Chris Berry: Leading Innovation, Preservation, and Community on the Texas High Plains

Story and Photos By **Blair White**

Chris Berry's path to becoming a co-op gin manager has been anything but conventional. From his roots as a cattle rancher and a spirited Texas A&M Aggie, to serving as a principal investigator at a chemical research company and working as an independent gin manager, he has embraced diverse challenges throughout his life. Today, he proudly leads Southwest Cotton Growers in Wellman, Texas, marking a significant milestone as his first time managing a co-op gin.

Continued on page 18

This is the first co-op gin I've managed, and it's a completely different animal," Berry explained. "The idea of a co-op is a solid business model. The collective working together is so much stronger than the individual standing alone. I was drawn to the gin and the people here – this board is phenomenal. It's a very young board, and that's one of the assets of this gin. They are very progressive in their thinking and some of the best businessmen I've ever been around. I love the people I get to do it with and the people I do it for. My farmers are the only reason I choose to sit in this chair."

Berry is also very involved in the broader cotton industry. He serves on the Board of Directors for the FiberMax Center for Discovery, and in June 2023, he began his term as the President of the Texas Cotton Ginners Association. He is the chairman of the National Cotton

Council's Packaging Distribution Committee and the NCC's Joint Cotton Industry Bale Packaging Committee. These NCC leadership committees help oversee the cotton bale's specific packaging and shipment from the time it leaves the gin to when it arrives at the textile mill.

"The industry faces challenges constantly, so being active is important," Berry explained. "It will take all of us working together and being on those committees in those organizations to make progress. It will all fall apart if we start trying to do this individually and spread out. That's why it's important to me to be active in what I am passionate about, because why else am I here?"

Berry's leadership positions reflect his commitment to advancing the cotton industry, and it starts at the community level. With only three significant businesses in Wellman, Southwest Cotton Growers plays a crucial role in the town's economic livelihood. Berry emphasizes supporting the community and educating students about the

cotton industry. Sometimes, if the conditions are right during football season, they'll even pause ginning operations to support the Wildcats.

"We get the elementary kids to come over before we start ginning to introduce them to the cotton industry," he said. "The school is the life of a town this small. We do everything and anything we can to support them, whether it be scholarships or helping with their stock show animals. We may go pick up trash or help fill in potholes. We are doing everything and anything we can to support the community of Wellman."

Southwest Cotton Growers has a long history of commitment to the town of Wellman. The gin was first listed in the Texas Cotton Ginners Association Red Book in 1956. Initially, the co-op was independently owned, first by the McNabb family and then by the Pendergrass family in Wellman. Then, in the 1990s, a group of farmers came together and purchased the gin, establishing it as a co-op and duly naming it Southwest Cotton Growers.

The gin has evolved over the years. Today, it has a capacity of over 45 bales an hour, and during one bumper crop, even ginned 65,000 bales for the season. Berry says one of his team's biggest challenges is the plastic contamination from round module wraps.

"We are very conscientious about keeping the plastic from entering our ginning line," he expressed. "Good housekeeping in the field carries over to the gin. We've trained our employees on removing the wraps, and our growers have also completed training. Plastic contamination is one of the costliest things that can happen to a cotton farmer. All of their hard work has gone into producing that cotton, and then to get that plastic call, that's never good."

To add even more value to the gin's members, Berry says he always has his eyes peeled for new ways to innovate or, more specifically, automate.

"Automation and AI are

what is going to help some of those industry challenges that are cost-prohibitive whenever we are in a drought like we are," Berry said. "We are looking to add the bagger, which will help increase the efficiency by lowering our costs. That will probably be the next step. Whatever else AI can bring, we are always looking down the road. I would say efficiency is the key advantage to being at Southwest Cotton Growers."

When Berry isn't looking toward the future, he can be found indulging in the past, researching the rich history of one of his favorite projects – the relocation of the Goodman Cotton Gin (see the related story on page 20). Berry started sharing the idea of moving the gin to the ag museum when he was president of TCGA.

"That gin operated about 10 miles from where I was born and raised," Berry said. "It was a piece of home. When I got up here (Lubbock), it sat four miles from the ag museum at the Texas Tech museum. All we had to do was find somebody to move it. The Goodman Gin is the last example of a true, animal-powered cotton gin. That's one of the reasons why I wanted it saved. It was built at the tail end of the Reconstruction Era. There was a short window after that era when the steam-powered engines came in just before the turn of the century. I couldn't be happier that we can preserve it at the museum and showcase it like it should be."

Berry also mentioned that he has contacted the Goodman family descendants, who are equally happy that the gin has been preserved. However, it still begs the question—how did an East Texas cotton gin end up in Lubbock?

"The gin was slated to go to the Fairgrounds in Dallas," he explained. "For some reason, they couldn't ever come to terms with that. So, they chose the

Texas Tech Museum in Lubbock because at the time, Lubbock was the newest cotton-growing region in the United States. We were the last to plant cotton out here on the Texas High Plains."

Beyond the significance of preserving agriculture's legacy, Berry emphasized the broader implications of understanding history – our roots.

"It is essential to see where we have come from," he said. "Where we have come from is what will light the path forward. It shows us where we need to go – maybe not necessarily where we are going, but where we need to go. We don't need to get so far removed from the past that we forget. How many of us could plant a garden today, and can this winter's groceries? Not many."

While such abilities may seem lost to time, Berry's optimism about the new Dan and Linda Taylor Cotton Heritage Center at the FiberMax Center for Discovery suggests a promising future for agricultural innovation.

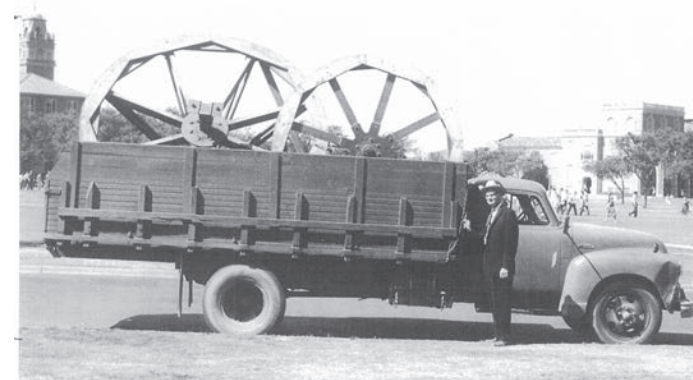
"I want it to showcase our industry for future generations – what we do and why we do it is so important," he expressed. "It's important for them to know that the thread this shirt is made of came out of the dirt right outside, so they might also appreciate their next pair of jeans a little more."

Whether serving the members of his gin in Wellman, contributing to the larger agricultural community, or indulging in and preserving history, Berry's commitment lies in maintaining all that is good about agriculture for generations to come.

"The people I get to work with daily are the salt of the earth," he said. "The main thing to remember is what the American farmer does for this country and the world. Now, that landscape is changing, and the challenges are unreal. The fabric that makes up those individuals hasn't changed. I love the people I get to do it with and the people I get to do it for."



"I love the people I get to do it with and the people I get to do it for. My farmers are the only reason I choose to sit in this chair."



Top: The Goodman Cotton Gin was originally constructed near Tyler, Texas.

Bottom: This photo was taken the day the gin was moved to the Texas Tech Museum, formerly on the university's campus in Lubbock.

Photos courtesy of Chris Berry/TCGA Goodman Gin Archives.



BRIDGING GENERATIONS

**How the FiberMax Center for Discovery
Preserves Agricultural History and Inspires
the Future Through Education**

Story and Photos By **Blair White**

Heritage, memories, legacies, dreams—each serves as a cornerstone of the agriculture industry, and they are all held at the FiberMax Center for Discovery in Lubbock, Texas. The ag museum sits on a hill overlooking Makenzie Park, across from the American Windmill Museum. Housed within its walls is a rich history of the past and many bright dreams of the future. For Executive Director Lacee Hoelting, preserving history is significant, but educating young minds is vital.

Continued on page 22

Since its establishment in 2001, the visionaries behind the ag museum have always had a three-phase expansion goal. The final phase is nearing completion and will feature the Dan and Linda Taylor Cotton Heritage Center and the AgWorks Children's Literacy Wing.

"I think we always knew we needed to get bigger," Hoelting said. "We needed to keep adding, maybe change our focus from preservation to education, connecting the public back to the producers."

According to the museum, children in the South Plains area are two to three generations removed from the farm. The gap narrows by focusing on agricultural literacy (possessing the knowledge and understanding of our food and fiber system). The goal is for children to be able to communicate essential information about agriculture.

Back in the Day

In 1969, man walked on the moon, the first electronic communication between two computers took place, and the Lubbock County Commissioners Court realized that the agricultural industry was swiftly changing.

The first installment of the Lubbock County Historical Collection was an assortment of notable farm equipment pieces stored in Shallowater, Texas. The collection, revered among industry leaders, deserved to be on display. The first location of the ag museum was in a borrowed building across the street from the American Windmill Museum. In 2011, the organization raised the funds needed to build the first phase of its current location, the Alton Brazell Museum. In 2014, a central exhibit hall, PCG Conference Center, catering kitchen and patio were added. Now, almost a decade later, the Children's Literacy Wing is scheduled to be completed at the end of 2024. The initial efforts

of the FiberMax Center for Discovery's construction were focused on preserving the agricultural lifeblood of the South Plains. Today, the organization emphasizes educating young minds for the industry's future.

"Everyone agrees that it's a great idea and needs to be done," Hoelting said. "Ultimately, it will benefit the agriculture industry by educating our youngest citizens on how important farmers, ranchers, and the industry are to everything around them."

From the Ground Up

Plans for the Children's Wing and Cotton Heritage Center began to take shape in 2015. Hoelting said she met with many industry professionals who agreed that children must learn about where their food and fiber originate, and it needed to be a fun learning experience. Originally, the budget for the project was around \$3 million, but after the pandemic and inflation, it increased to \$7 million.

"We had a lot of great ideas, but putting a cost to those was hard," Hoelting said. "It was kind of like starting over. We had plans and had been detailing those out. We got input from different donors, teachers, and community members along the way, asking them how can we make this the most beneficial for them to utilize. We got some great suggestions and incorporated them."

The new Children's Literacy Wing is called AgWorks, a term the museum's team defined in two ways.

"We talk about jobs in the industry and all of the different areas, then we talk about how AgWorks as a positive, how we all work together to produce a product for a growing population and continue to meet those challenges," Hoelting explained. "I remember having a conversation at PCCA once, and they told me it's more than just the farmers and the ginners and ranchers – we need the same positions that every other industry has, and that always stuck with me. If you want to be a scientist or a salesperson, you can do that in agriculture. We need those people, too. It's aimed at fourth grade and under, but I think it will be fun for all ages."

It's all for the kids

Museums and cultural institutions are still critically important to educating today's youth. The FiberMax Center for Discovery is willing to work with teachers to provide students with a well-rounded agricultural education.

"We do a lot of hands-on activities for kids and host field trips for different groups," Hoelting said. "If there's a certain subject students need to focus on or align to the TEKS that they have to meet, we are willing to work with them. I've always loved the education side. You get kids that come in, and even though they eat and wear clothes, they have not made that connection back to the hardworking farmers and ranchers who produce the food and fiber. When they have those light bulb moments, and it makes sense to them that there are so many people whose hands have touched the products they use every single day – that's one of the most rewarding parts."

Of the nearly 20,000 visitors who pass the threshold of the ag museum each year, about half aren't local to the South Plains. Another portion has not been exposed to agriculture or the cotton industry.

"I would hope that every student within a 100-mile radius, fourth grade and under, sets foot in this facility and that they learn something about agriculture they didn't know before," Hoelting said, "whether it's about cotton or a job they might be interested in, maybe it's the differ-

ence between a cotton stripper and a cotton picker – just to know that we might have made a difference in what they understand about farming and how big a role it plays."

Relocating a 150-Year-Old Cotton Gin

A project this big has many moving parts and different facets, all of which must be aligned to achieve one main goal: connecting the past with the future. Beyond the Ag Works Children's Literacy Wing is the Dan and Linda Taylor Cotton Heritage Center, which contains the near 150-year-old Goodman Cotton Gin. The structure was recently relocated from the Ranching Heritage Center in Lubbock but was initially built in 1875 near Tyler, Texas. Moving the gin to the ag museum serves the purpose of educating visitors on one of the most significant economic contributors to the South Plains and beyond.

"We'd been talking about moving the Goodman Gin here since I started working at the museum," Hoelting said. "We had a couple of different campaigns, and all our local cotton gins, even some that aren't local, and other cotton-affiliated businesses have made donations over the years for that. Then I had a board member come on, Chris Berry, who was from the same area where the gin was originally located, and he was fascinated with it. He reinvigorated the campaign." *Check out Chris Berry's Story on page 16.*

Hoelting's idea to make tangible progress on the gin relocation project started to come to life when she collaborated with Berry.

"One day, I was talking with Chris and asked him – what if we could put the gin inside our new building? It's a wooden structure; it's been outside for years, and we must preserve and protect it. He said, 'Well, why not?'"

After a conversation with the project architects, a plan was developed to fit a two-story, very old, animal-powered cotton gin into a one-story exhibit space. A large pit was dug to allow room for the bale press and to allow visitors to tour the second story of the gin. Such a lift required raising additional funds, but Hoelting said the team was very fortunate and grateful to find donors and restoration experts willing to help.

"When we were trying to figure out how to get the gin moved, we needed someone who understood historic wooden structures," Hoelting said. "We had originally

talked to the main host of the show Barnwood Builders. He loved the idea, but the project didn't fit the show's format. So, we started looking at other cast members and came across Alex Webb, who was on the first seven seasons. He and his wife Jesse had started their own company out of Virginia. They were so excited that they came down immediately, and they were wonderful to work with. Then, we had a lot of volunteers from some of our local gins, and some of our board members went out and helped. The Ranching Heritage Center helped us as well."

After the gin was relocated, the rest of the Cotton Heritage Center was built around the structure. The driver behind such a monumental venture is simple. As Hoelting puts it, when cotton does good, everyone does good.

"Cotton is such a fascinating story," Hoelting expressed. "It's so different than other crops, and it's a story that we are primed to tell in this area because of all the affiliated businesses and all the hands that touch cotton in this part of the world. We always knew we wanted a piece just for cotton."

Whether it's preserving history or educating young minds, one thing is sure – agriculture's story is being told thanks to the FiberMax Center for Discovery.

For more information, scan the QR code below.



Top: Visitors can still see the individual axe marks in the original lumber of the Goodman Cotton Gin. Middle: Construction is progressing and exhibits are coming to life in the AgWorks Children's Wing. Last: Children will be immersed in the world of agriculture through various exhibits and interactive displays. Middle and last photos courtesy of the FiberMax Center for Discovery.



WANT MORE OF THE STORY?
Scan the code to watch the video!



YOUR FARM, YOUR STORY, YOUR SUSTAINABILITY

The U.S. Cotton Trust Protocol

By **Charles “Chaz” Holt**

Director of Field Programs, U.S. Cotton Trust Protocol

As cotton growers, you understand the deep connection between your land, your livelihood, and your legacy. This legacy is about more than just the yields you produce; it’s about being responsible stewards of the environment and ensuring a thriving future for generations to come.

Today, consumers and brands are increasingly aware of the environmental impact of their purchasing decisions. They are seeking greater transparency and assurance that the cotton in their products is grown responsibly. This shift in consumer consciousness presents both a challenge and an opportunity for the U.S. cotton industry.

That is where the U.S. Cotton Trust Protocol comes in. The Trust Protocol recognizes that every farm is different, and there is no one-size-fits-all approach to sustainability. It’s designed to be a flexible system that empowers you with data and resources to choose the practices that work best for your land and your business, while still allowing you to demonstrate your commitment to continuous improvement. By tracking key metrics like water use, land use, and greenhouse gas emissions, you gain valuable insights into your farm’s environmental footprint. This information empowers you to make informed decisions, optimize your practices, and demonstrate the progress you’re making toward a more sustainable future.

Taking your commitment a step further, the Climate Smart Cotton Program provides resources and support for growers to implement Climate Smart Agriculture Practices. This program offers three levels of engagement, each with increasing levels of financial support and opportunities:

• **Level 1 - U.S. Cotton Trust Protocol Membership:** This foundational level provides \$5 per acre up to 706 acres

for enrolling in the Trust Protocol, uploading bales to the Protocol platform, and exploring the feasibility of new climate smart practices.

• **Level 2 - Implement a Climate Smart Practice Change:** Growers can receive financial risk-share for up to three years for adopting a new Climate Smart Agriculture practice change such as cover crops, no-till, strip-till, or a nutrient management plan.

• **Level 3 - Carbon Inset Payment:** This level allows growers to contract for carbon inset sales based on the verified emission reductions achieved through their Climate Smart Agriculture practices.

The benefits extend beyond the farm gate. The Trust Protocol provides a platform to confidently share your commitment to sustainability with brands and retailers around the world. This fosters trust and enhances the reputation of Protocol Cotton as a sustainably grown fiber.

The future of the U.S. cotton industry depends on our ability to meet the evolving needs of the marketplace. By participating in the Trust Protocol and the Climate Smart Cotton Program, you’re not just growing cotton, you’re cultivating a more sustainable future for your farm, your community, and the entire industry.

PCCA demonstrates its commitment to the Trust Protocol through the leadership of Dahlen Hancock, Chairman of the Board for PCCA, and Carlos Garcia, PCCA Director of Sales, both members

of the Trust Protocol Board of Directors. Their dedication to this program underscores PCCA’s commitment to supporting growers in their sustainability journey and ensuring the long-term success of the U.S. cotton industry.

Here are a few important reminders to keep in mind:

- **Bale Uploads:** Don’t forget to work with your gin to upload your bales to the Protocol platform this harvest season. This makes sure that your cotton can be marketed as Protocol Cotton to offer transparency through the supply chain.

- **Enrollment:** Mark your calendars - Enrollment in the Trust Protocol and applications for the Climate Smart Cotton Program open in January.

- **Stay Informed:** Watch for announcements about upcoming webinars, where you can learn more about the Trust Protocol and the value it can bring to your operation. Save the date for the next webinar on January 29, 2025, which will focus on enrollment.



Charles “Chaz” Holt, Director of Field Programs U.S. Cotton Trust Protocol

PRE-HARVEST SEASONAL POOL

PCCA’s Seasonal Pool adds value by capturing optimal pricing opportunities through the crop marketing cycle. It is acreage-based, weather-risk-free, and professional traders manage pool cotton sales. Our Seasonal Pool is an innovative way to let grower-owners focus on what they do best while PCCA generates strong average returns to the pool’s members. Leveraging PCCA’s customer relationships expands market reach by tapping into a vast global buyer network. As the pool is marketed, growers receive full CCC loan premiums and timely progress payments.

For more information, contact the PCCA Sales Department at 806-763-8011 or scan the QR code below.



Stronger Together:

How PCCA's Commitment to Company Culture and Innovation Fuels the Cotton Industry's Future

By **Amy Devitt, Rebekah Lofton, & Heather Cervantez**
PCCA Human Resources

Before PCCA was even a company, farmers' passion to cooperatively come together to innovate, problem-solve, and get the best price for their cotton existed. Seventy-one years ago, our founders realized they could be stronger together. This story and identity are why people work for and with PCCA. Company growth, culture, and the words in a mission statement may change, but the root of the PCCA mission remains the same. We're stronger together, inside and out. We invest in our employees because they, in return, invest hard work and innovation in you. This simple action adds insurmountable value to the company you own.

Two years ago, we reflected on our mission and how we were living our storied history as a company. We actively listened to our employees and how they felt their contributions to PCCA made a difference.

With the help of Talent Elevated (talentelevated.org), a company focused on strengthening company culture and developing leaders, surveys were distributed to all employees to discover common themes in which PCCA could grow and continue to improve for our grower-owners and gins. Primary research helped illuminate the critical initiatives needed to educate and immerse PCCA employees in the cotton industry while also recognizing the many assets each brings. Today, PCCA teams cultivate an atmosphere where everyone feels valued and heard through consistent employee collaboration. We've seen a direct correlation between these internal efforts and our external results. Working together in a positive company culture creates a space for innovation and motivation where everyone contributes their best work toward the co-op's mission.

PCCA's focus on cultivating a positive workplace culture is not just beneficial for employees. Companies that invest in their people and culture see a decrease in turnover while also increasing productivity and growth. PCCA has always been at the forefront of innovation, creating solutions and new ideas that propel the cotton industry forward. The Human Resources department developed a dashboard that helps leadership focus on crucial employee engagement and retention metrics. By focusing on employee engagement, PCCA ensures that we retain the top talent in the cotton industry that continues to drive innovation, creating returns for everyone involved in the organization.

"We never thought that PCCA wasn't a good place to work, but harsh weather and intense competition left some of our team feeling disconnected from the resulting changes in strategy," said Kevin Brinkley, PCCA's CEO. "Most of our employees choose PCCA because they believe in the value of what we do and who we serve. Our work on culture

helped us refocus on why we're here. Ensuring every PCCA employee can contribute is how we measure the success of this work."

As we continue to focus on enhancing company culture and the work environment, our efforts are directed toward upholding our mission statement and six core values. These can be found on display in each location and are seen daily by all employees. PCCA's mission statement states that we exist "to enhance the profitability of our growers and gins." Whether it's an employee newsletter, CEO video update, or training session, each piece of internal communication reinforces how employees should live out our mission and values. These guiding principles help us retain a quality workforce. Our employees have the unique opportunity to show up daily and use their knowledge and expertise to serve our grower-owners. For us, it's more than a job.

From the beginning of an employee's experience with PCCA, we focus on an immersive onboarding experience that introduces employees to the company and the cotton industry. As part of PCCA's onboarding program, new employees visit a cotton farm, gin, PYCO Industries, Inc., Farmer's Cooperative Compress, and the USDA Cotton Classing Office. These site visits give employees an understanding of each segment of the cotton industry so they have the knowledge and expertise necessary to support our grower-owners and customers. Site visits also allow employees to meet the farmers or customers they will work with. These in-person connections are foundational to an employee's training and strengthen ties that can last an entire career.

Recognition has also been a crucial focus in improving PCCA's culture. By identifying and rewarding high performers, we help employees understand that their contributions are essential to the company's success. Recognition also helps foster inclusion. Employees who feel they belong are more invested in the company and the industry. PCCA offers growers and gins a team of dedicated employees invested in a common goal: achieving the highest possible value for their cotton.

"The process was intense for us," Brinkley said, "but anyone can make progress toward a better culture, and difficult times are when you need it the most."

At PCCA, we also recognize the fundamental role of education and training in amplifying our employees' value to farmers. Our team has the proper knowledge and expertise to provide our partners with the best support in the cotton industry's ever-changing landscape, but there is always something new to learn.

This cultural journey has offered more training and education opportunities to expand our employees' knowledge base each year. In early September 2024, plant managers and supervisors across PCCA's Warehouse Division traveled to Lubbock for three training days. The Human Resources department and warehouse leadership collaborated with the Texas Manufacturing Assistance Center (TMAC) for the sessions. The company offers manufacturer training and focuses on practices that boost productivity, supply chain development, and product innovation. This training emphasized the importance of maintaining the value of the bales sent to our locations by farmers. By investing in our leaders with training tailored to their needs, PCCA continues to invest in our position as our members' most reliable cotton storage and logistics solution.

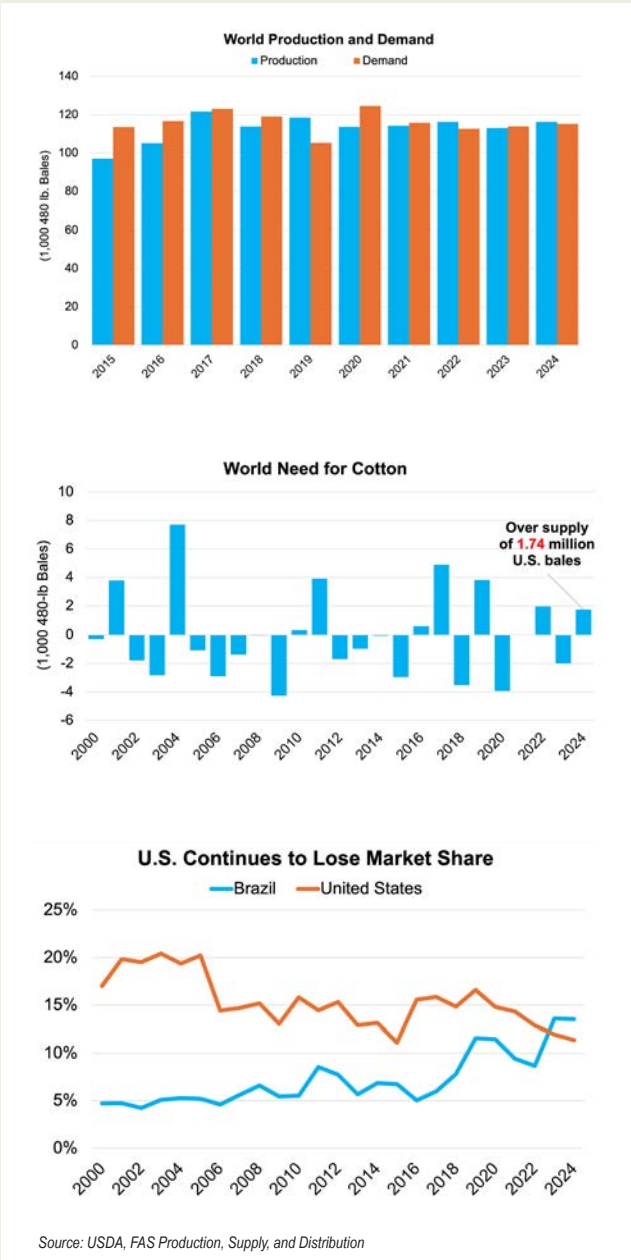
In the uncertainty the cotton industry often faces, know this: PCCA employees are deeply invested in providing stability and support for farmers, gins, and their operations. By investing in the culture at PCCA, we ensure our employees are prepared to stand by farmers in tough times, stay ahead of volatile markets, and continue to provide unique and individualized service. Initiatives like onboarding, recognition, and education ensure that PCCA retains the most talented people in the industry. This cultural journey leads us back to PCCA's founding belief: we are stronger together.

The Strategy for a Changing Market Landscape. What’s Ahead for U.S. Cotton?

More cotton is on the horizon, but it has nowhere to go.

By Abigail Hoelscher

Every year, the supply and demand of U.S. cotton is at the forefront of marketing decisions. Over 80% of cotton grown in the U.S. is exported. The size and need for the crop are major factors influencing price levels. As a result, demand from cotton-importing countries is becoming an increasingly critical topic. Although demand for U.S. cotton has rebounded since the COVID-19 pandemic, it remains below the level needed to match global production. This raises the question: What has caused such a decline in cotton demand?



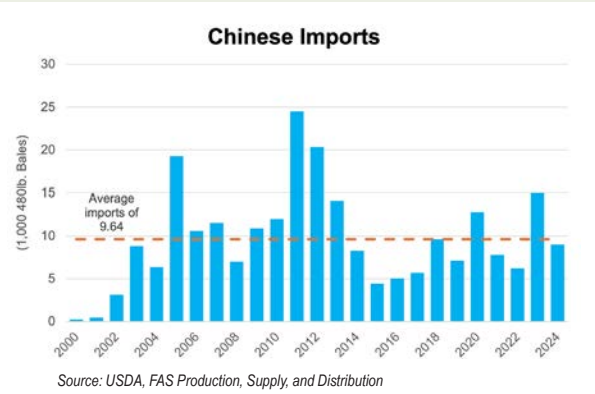
One primary factor has been the worldwide surplus of cotton. Ideally, cotton consumption should equal or exceed annual production; however, this balance has been disrupted in recent years. While consumption recovered slightly during the 2020 and 2021 crop seasons, subsequent years have seen production consistently outpace demand. The current year is projected to continue this trend, with another surplus of cotton and insufficient outlets for its sale.

U.S. cotton, in particular, faces significant pressure. There is more competition throughout the globe than ever before. Over the past two years, the size of the U.S. crop has fallen below the 20-year average of 17 million bales. When this article was written, the 2024/25 crop forecast was slightly more optimistic at 14.19 million bales but still below average. Accounting for import needs, consumption expectations, and supply, the U.S. could have a 1.74 million-bale surplus by the end of the marketing year.

The remarkable increase in Brazilian cotton production over the last decade is a major contributor to this surplus. Brazilian production has surged 180% in the past 20 years and over 30% in the last five. In two decades, exports have increased by over 500% and 40% in five years. The U.S. continuously faces volatility due to price competition and erratic weather, while Brazil benefits from more stable weather conditions, allowing for more consistent crops. Additionally, the cost of production is lower in Brazil. The breakeven price averages in the mid-to-upper-60 cents per pound, while the U.S. breakeven price is in the low to mid-80s.

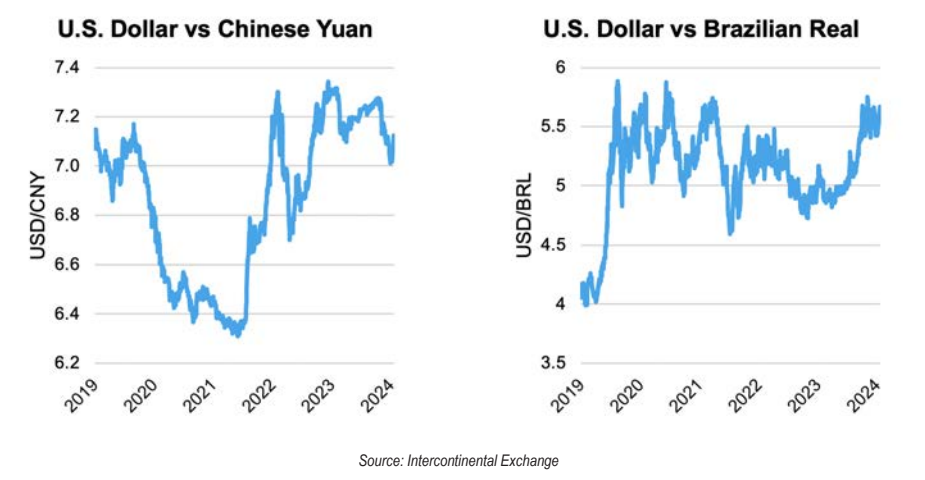
China is the largest cotton-consuming country, but since COVID-19, demand growth has been sluggish. This year, the country is expected to produce 28.2 million bales and consume 38 million. China typically imports just under 10 million bales annually. They imported the largest amount of cotton last year since the 2012 season, requiring both U.S. and Brazilian cotton. However, the current year's forecast of 9 million bales is disappointing for exporters. China typically issues import quotas, but this year's allocation of approximately 250,000 bales was a letdown for the market. To add to the disappointment, the quota was issued as a processing quota, which means

The landscape of the U.S. cotton industry is changing, but if cotton gains back a fraction of its market share, demand will exceed production.




whatever is imported must be re-exported after it has been processed. China has been noticeably absent from the weekly Export Sales Report this season. U.S. cotton faces more competition from a production standpoint and must persistently battle synthetic fibers. Over the years, cotton has gradually lost market share to man-made fibers, with price volatility significantly influencing the choice between cotton and synthetic production. According to the Textile Exchange, in 2022, cotton's market share was 22% of global fiber production, whereas synthetic fibers comprised 65%. The ongoing competition with synthetic materials continues to pose a significant hurdle for the cotton industry.

Global economic pressures have exacerbated the challenges. Inflation has started to slow, and the labor market has weakened, allowing the Federal Reserve to cut short-term interest rates in the United States to a target range of 4.5 to 4.75%. Despite this, demand for cotton products remains weak. Higher interest rates have strengthened the U.S. dollar, making U.S. cotton even more expensive for importing countries. At the same time, currencies in competing countries, such as Brazil, have depreciated. Despite resilient U.S. consumer spending, apparel prices remain above pre-COVID levels, while clothing sales fluctuate.



The market has received some support through significant downward revisions to the U.S. crop estimate. The Pakistan crop, now expected to be 5.5 million bales, is also far lower than initial expectations of 7 million bales. There could be an uptick in inquiries from the country, but the consumption estimate needs to be monitored. Domestic use for Pakistan was revised down to 9.5 million bales. India issued several increases to the minimum support price (MSP), which guarantees a price the government will pay the farmer directly for their crop. This incentivizes mills to look elsewhere for reasonably priced cotton. The Indian government does not hold onto the cotton purchased for long, and the cotton will eventually re-enter the supply chain.

Sluggish demand and an oversupply of cotton have recently hindered the U.S. cotton market. The short-term outlook remains challenging as the industry learns to adapt to these issues and set itself up for success in the future. The landscape of the U.S. cotton industry is changing, but if cotton gains back a fraction of its market share, demand will exceed production.



Faith in Full Bloom The Heart of SkyGardens

STORY BY KAYLEE HENDRICKS

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PHOTOS BY KAYLEE HENDRICKS & BLAIR WHITE



Skyler Richardson and her "Pop," Larry Borland at the SkyGardens Farm in Ropesville, Texas.

Skyler Richardson never imagined she would farm. In fact, she had her sights set on becoming a lawyer. From closed doors to wide open spaces, she has seen God's fingerprints on every aspect of her life. Sometimes, the paths least expected can lead to incredible experiences. All of hers have been set up to display her faith in full bloom.

Richardson's love for the land began during her childhood on her grandfather's cotton farm. She enjoyed riding on the tractors, hoeing weeds, and helping with any tasks he would let her complete.

"I was the little kid that whenever Pop was stripping cotton, I wanted to be out there until we were done that day," Richardson reminisced with a smile.

Her great-grandmother, Dorothy Borland, unknowingly inspired her passion for growing flowers. She gifted Richardson all the tools she needed to start her own garden when she was seven years old. This experience became the foundation for her business, SkyGardens.

"The first time SkyGardens started was when my great-grandmother, who lived right across the street from us, bought me a little greenhouse, and I called it SkyGardens," Richardson said. "She was my only customer. She would buy me the plants, buy me the tomatoes, and buy me whatever I needed. I would grow them and sell them back to her, and I would walk across the road to her house and eat them right off her table. I called it SkyGardens back then. I drew up the logo, which is the same logo we use now. That was born from seven-year-old Skyler."

After graduating from Lubbock Christian University in 2020, Skyler was unable to take the LSAT to pursue law school because of the pan-

demia. Seeing this as an opportunity rather than a setback, she rekindled her passion for flowers, leading to the rebirth of SkyGardens. With a gift of land from her "Pop," Larry Borland, SkyGardens has flourished for three growing seasons.

"I looked at that as God closed that door, but I didn't know what was next," Richardson said. "I was working for a flower shop and a wedding planner. They would get flowers in, and many of them weren't good when we got them. I started thinking, surely, we could do this a little bit better. I would google how to grow whatever type of flower and decided maybe we could start growing flowers here. That's how it all got started."

At SkyGardens, flowers grow year-round but primarily bloom in the fall and spring. In October, Richardson plants for the spring. Planting stretches until December, with blooms of anemones and ranunculus typically starting in March and April. She explained they usually wait until June to start planting again. While summer sees fewer blooms, August brings vibrant zinnias, cosmos, amaranth, marigold, celosia, Italian bells of Ireland, dahlias, and roses that last until the first freeze of the season.

A typical day on the flower farm varies greatly depending on the season. Mornings are often dedicated to cutting or planting, activities that can stretch until noon.

"IT'S INTERESTING HOW OUR ROOTS SHAPE OUR PERSPECTIVE, AND THAT CONNECTION WITH COTTON BRINGS A UNIQUE JOY TO MY INTERACTIONS WITH FLOWERS."

Continued on page 34





As the afternoon rolls in, the focus shifts to deliveries and catching up with the online aspects of the business. Once evening arrives, it's back to tending the land—whether that means cutting more flowers or preparing new areas for planting. The optimal times for working are the early mornings and late evenings when temperatures are cooler, especially on hot summer days.

In West Texas, no day on the flower farm is the same. Like cotton farming, the weather proves challenging. While Mother Nature is the biggest challenge, it is why Richardson started inviting people to visit the farm.

“In 2021, we had a microburst storm with 100-mile-per-hour wind that took the top off our tunnels and destroyed everything I planted outside,” Richardson said. “We got it all replanted, and by that fall, we had the most beautiful flowers. I looked at my parents and told them we needed to start inviting people out here to see this. Seeing the flowers blooming has been a miracle; I get to see that every day. I wanted to make sure other people had the opportunity to see that after going through such a tough year. It’s interesting how our roots shape our perspective, and that connection to cotton brings a unique joy to my interactions with flowers.”

Gradually, people began to visit the farm and share their experiences with friends, who then told others. Now, SkyGardens hosts Open Farm Nights in the fall and spring, inviting visitors to see the beautiful things God’s plan has brought about in Richardson’s life.

“I love having people come out. We don’t just sell it to the public. Here, you get to see the whole farm,” she said. “Just to know that there are people out there supporting us, following us, getting to share His creation. The whole time we are doing anything around the farm, it’s like, wow, I get to tend this garden, and this is His purpose for my life, which is neat.”

In addition to Open Farm Nights, SkyGardens offers design services for funerals, weddings, everyday arrangements, and other requests. They also provide wholesale services in Lubbock to Market Street and United.



“I GET TO TEND THIS GARDEN, AND THIS IS HIS PURPOSE FOR MY LIFE.”

SkyGardens has also gained substantial visibility and popularity relatively quickly, with a social media following of over 15,000 people. Richardson invites everyone to follow along on her journey.

“People can reach out through Facebook and Instagram for online sales, and with social media, people get to follow along throughout the year. It makes it personal for them to get to see the process too,” Richardson said.

As for SkyGardens’ future, Richardson says having people visit the farm has been eye-opening. She wants to continue sharing farming knowledge with anyone eager to learn. She has a deep love for the land and hopes to see growth in her business.

“I just want to continue to share God’s creation with everyone that gets to come out here and wants to see this,” Richardson said. “Some of us are like, why are we doing this? This is insanity in West Texas. But to share his creation with people is the most important thing, and I think it is truly a ministry more than anything.”



WANT MORE OF THE STORY?

Scan the code to watch the video!



BUILDING A FUTURE TOGETHER

The Power of Cooperative Equity

By **Ashley Houchin & Aspen Fenter**
PCCA Cotton Services

In a world where financial growth often prioritizes profits over people, cooperatives stand out as a beacon of inclusivity and overall shared success. Member-owned cooperatives like PCCA have long championed the idea that communities thrive when individuals come together, pool resources, and share responsibilities.

At the heart of PCCA's success is the principle of cooperative equity. In this model, wealth and decision-making power are distributed equitably among grower-owners rather than concentrated in the hands of a few. This approach fosters a sense of ownership and accountability and creates more resilient and sustainable economies.

The Impact of Cooperative Equity

Cooperative equity is essential to the overall success of any co-op, ensuring fair ownership and sustainable growth for its grower-owners. Group equity co-ops help maintain affordability for future members by retaining the assets they develop rather than distributing them as cash. This approach ensures that the cooperative's resources continue to support and benefit its community in the long-term.

Grower-owners also benefit from their involvement in a supportive community and alignment with the mission and values of the co-op, as well as being able to enjoy tangible rewards from their investment. This dual benefit enhances their commitment and engagement, as they see direct returns while contributing to the co-op's success and broader goals.

The economic inclusivity of cooperative equity is paramount in keeping money within the community and ensuring wealth circulates locally rather than flowing to external shareholders. Reinvesting profits into the co-op and its grower-owners creates

sustainable economic growth while providing stable, reliable employment opportunities that benefit the community.

PCCA takes immense pride in the power of cooperative equity and places its members at the heart of everything we do. Unlike traditional businesses, PCCA operates with the core belief that when growers succeed, everyone benefits. By reinvesting profits back into the cooperative and its grower-owners, we ensure that the farmers who contribute to our success see direct financial returns. This farmer-first approach strengthens the bond between PCCA and our members and fosters a sense of ownership and trust. It's a business model that empowers farmers while ensuring long-term sustainability and shared prosperity.

How Cooperative Equity Works at PCCA

Each year, PCCA issues a combination of cash and book credits as part of our equity distribution. These book credits, which reflect money from the

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previous year's margins, are reinvested by the grower-owners into the cooperative and recorded as equity on PCCA's balance sheet. Dividends are then allocated to grower-owners based on their patronage within each division, ensuring a fair return on their contributions. PCCA's fiscal year concludes on June 30, marking the close of another cycle of shared investment and growth.

The Divisions at PCCA are:

- **Marketing** – Dividends are allocated on a per-bale basis.

- **West Texas/Oklahoma/Kansas Pool** – Dividends are allocated on a per-lint-pound basis.

- **South Texas Pool** – Dividends are allocated on a per-lint-pound basis.

- **Warehousing** – Dividends are allocated on a per-bale basis.

When you receive a cooperative patronage dividend, there are two components to consider: the cash and book credit portions. Each of these has different tax implications.

Cash Portion - The cash portion of the dividend is always considered taxable income. The grower will receive a Form 1099-PATR in January following the year the dividend was paid.

Book Credit Portion – The book credit portion of the dividend is also taxable, but the timing of when it is taxed depends on the type of book credit issued.

- **Qualified** – If the book credits are classified as qualified, they are treated

as taxable income in the year they are issued to the grower, meaning the grower will need to include the amount of these qualified book credits on their tax return for the year they received them. Qualified book credits are taxable when allocated but are not taxable when paid/retired.

- **Non-Qualified** - Non-qualified book credits are not taxable when issued. Instead, the grower will only be taxed on these amounts when redeemed or converted into cash. Therefore, the grower does not need to report non-qualified book credits as income until they actually receive cash or redeem the credits. Non-qualified book credits are not taxable when allocated but are taxable when paid/retired.

Currently, all book credits at PCCA have been allocated as qualified except the 2013 crop year, which was allocated as non-qualified.

PCCA's Board of Directors determines how much of the grower-owners' book credits will be retired each year. The Marketing and Pool Divisions use a revolving equity cycle to manage the retirement of book credits. Under this system, the oldest outstanding equities, categorized by crop year, are retired first. All or a portion of a crop year's equities can be retired. The Warehouse Division uses a base capital plan to manage the retirement of book credits effectively. The cooperative ensures that book credits exceeding this target are retired annually by establishing an equity target for each grower-owner based on their average deliveries and specific per-bale equity amount. This approach promotes equi-

table management of book credits, accounting for production variability across the Warehouse Division's service area. Using this method, the cooperative can finance long-term assets needed for warehouse operations while balancing the financial contributions of its members.

The Bottom Line

PCCA stands out as a fierce and competitive force in cotton marketing. Our commitment to aggressive pricing strategies ensures that cotton producers can trust us to deliver maximum value. By consistently staying ahead of market trends and offering competitive pricing, PCCA gives growers the confidence that their cotton is in the best hands. This dedication to providing top-tier returns builds long-lasting relationships, ensuring that growers have faith in PCCA's ability to market their cotton efficiently and profitably. Our competitive edge makes PCCA a trusted leader in the cotton industry.

PCCA is a powerful example of how cooperatives can drive community success through equitable distribution and collective ownership. By fostering cooperative equity, PCCA empowers its grower-owners while reinvesting in the local economy, ensuring that benefits remain within the community. As we navigate the challenges of today's financial landscape, the values of collaboration and accountability shine brighter than ever. Together, we can build a resilient future where everyone thrives. Grow with PCCA. We're stronger together.

BOOST Your Farm's Resilience & Profits

How PCCA's Cotton Marketing Options Unlock the Power of Diversification

By Blair White



Farming requires diversification. What if there was a way to manage risks and still harness the power of cooperative marketing?

While farmers across the Cotton Belt are adding new revenue streams to their operations, PCCA is creating cotton marketing choices that can be tailored to fit those needs. There is no substitute for the convenience, infrastructure, and variety PCCA provides as a trusted marketing co-op. You can diversify your operation under the PCCA bale mark, regardless of your risk tolerances or vision for your operation's future.

Diversification can bolster business resilience by providing multiple revenue streams, which can offset losses in one area with gains in another. For example, if you want to market half of your cotton in the open (cash) market and the other half in a marketing pool, PCCA is the "easy button" for both choices.

Our Seasonal Pool is an acreage-based contract, not an agreement for a specific number of bales. The grower-owner can contract every bale or every other bale of the contracted farm's production.

The agreement remains in effect yearly unless the grower-owner cancels it during the one-month Sign In / Sign Out Period each year. Our expert sales staff manages marketing your cotton for you with this option.

"It's helpful to remember that you and a grower in another county or even another state are helping each other out by creating a larger footprint of acres," said Keith Lucas, PCCA's Vice President of Marketing. "Our ability to aggressively market the pool is highly correlated to the number of acres available to distribute the risks. Additional acres provide more opportunities to price before harvest."

PCCA has top-of-the-line cash marketing programs that give you added control so you can work to achieve the best price for your crop. PCCA Direct® provides the convenience of receiving competitive prices at your fingertips. Our team can contact you through the myPCCA app or your gin with an offer to purchase your cotton. PCCA Direct On-Call allows growers to stay long in the market without being

long physical bales. Growers who believe cotton futures will increase will most likely benefit from this tool.

Lastly, PCCA offers exclusive access to The Seam®, the world's largest and most reliable online trading platform. Marketing your cash cotton online means most of the buyers in the world have seen your recap. The Seam's extensive network makes negotiating your cotton's price much more effortless. You can think of utilizing The Seam like selling your home through a realtor. You're likely to get better bids simply from the high level of exposure that avenue offers.

Diversification also allows businesses to adapt more quickly to market changes and unforeseen challenges, helping ensure operational sustainability so you can pass your farm down for generations. Additionally, diversification reduces reliance on a single venture, spreading risk and enhancing one's ability to weather economic fluctuations.

We know that some years, a grower's goal may be to wipe their brow at the end of the season and say, "I made it." Other times, the goal may be operational growth and expansion. When focusing on growth, two things likely top your list of must-haves: convenience and the highest total value. Both indicate that you might want more control over the price you accept for your cotton. Diversifying your operation with PCCA can provide a strategic advantage to expanding your operation, as it allows you to spread risk across different methods of cotton marketing. By incorporating a variety of PCCA marketing choices into your portfolio, you can tap into new markets and customer bases, potentially increasing those revenue streams.

Exploring the various marketing choices PCCA offers can help uncover lucrative opportunities that a more focused approach could overlook. It also allows for quick adjustments to consumer preferences and global market shifts, keeping growers like you responsive. Our sales staff has 174 years of combined experience selling cotton. No matter

what PCCA marketing option you choose, you have the support and assistance of the entire cooperative behind you.

The cotton marketing infrastructure PCCA provides is second to none. We help build a solid business foundation at the farm and gin levels by providing technology services that can connect you to as many opportunities to sell your cotton as possible. No matter where you are currently or where you are going in your farming operation, you can find the diversification you desire under our marketing umbrella.

For more information, scan the QR code below or call us at 806-763-8011.



Diversifying your operation with PCCA can allow you to:

- ✓ Enhance your business resilience to achieve operational sustainability
- ✓ Strategically expand your operation
- ✓ Reduce risks inherent to cotton marketing
- ✓ Capture opportunities that would otherwise be missed

Revolutionizing Cotton Fabrics:

How Digital Fabrics are Transforming Design with Speed, Creativity, and Sustainability

By Kaylee Hendricks

Imagine the power to create dozens of new designs, even hundreds, for textiles and apparel without making each one. Then, when you've settled on the right look, bring it to life in a few minutes before putting it into production.

In today's digital age, industries across the board are transitioning to more electronic and innovative methods for product development, and fashion is no exception. One of the most exciting advancements in fashion is the integration of digital fabrics into the design process. These virtual materials are revolutionizing how designers work, enabling them to streamline their processes and cut down on physical samples—all while saving valuable time and resources.

Digital fabrics are virtual replicas of physical materials, capturing real fabrics' appearance, movement, and drape in a 3D environment. These tools use algorithms to accurately simulate fabrics' physical properties such as elasticity, thickness, and texture. They provide designers with a highly realistic visualization of their designs' appearance and behavior without handling physical samples.

A digital fabric consists of three main components:

- **Texture:** The fabric's surface appearance is captured via camera or scanner.
- **Physical properties:** The fabric's drape, weight, and behavior are simulated using precise measurements.
- **Data:** Information such as fiber content and characteristics or supplier details accompany the fabric's digital representation.

These components work together to ensure that digital fabrics can be highly accurate substitutes for physical fabrics in the design process. This allows designers to experiment with textures, colors, and prints in real-time without waiting for physical samples to be produced.

Cotton Incorporated offers a free, industry-leading digital fabric library of cotton and cotton-rich fabrics. These materials are available on Cottonworks, the go-to textile resource

for developing quality cotton products. Since 2020, Cotton Incorporated has been digitalizing fabric developments from the FABRICAST™ collection. This initiative has made experimenting with true-to-life cotton materials in 3D garment simulators more accessible for designers, brands, and students. To explore digital fabrics on CottonWorks™, users can create a free account and navigate to the FABRICAST™ Digital Fabrics section. The platform offers a variety of fabric options compatible with popular 3D software tools, allowing users to view fabrics in 3D and augmented reality. This feature lets them visualize the material within their physical space via smartphones.

"The CottonWorks™ digital fabric library is one of the only free resources available for accurate digital cotton fabrics," said Katherine Absher, Manager of Fashion & Digital Design Marketing at Cotton Incorporated. "Our high-quality digital twins ensure cotton is available in the leading 3D garment simulation software and offer a valuable resource to small brands, independent designers, and emerging professionals who may not be able to access digitization tools and services."

Using digital fabrics offers several advantages to the fashion industry, revolutionizing how designers approach their creations.

Increased Efficiency: Digital Product Creation significantly boosts efficiency in the design process by allowing designers to create 3D prototypes instead of relying on traditional 2D sketches. These realistic visualizations accurately represent the final product, drastically reducing the need to wait for physical samples. This real-time feedback accelerates decision-making, allowing teams to refine and approve designs faster, ultimately speeding up production.

Enhanced Creativity: With digital fabrics, designers can experiment with various colors, prints, and patterns at the click of a button. This ability to make rapid iterations and visualize changes instantly streamlines the creative process, giving designers

more freedom to explore and perfect their ideas. The ease of customization also removes the limitations imposed by traditional methods, empowering creativity and innovation in fashion design.

Waste Reduction: One of the most important benefits of digital fabrics is their contribution to waste reduction. By eliminating the need for multiple physical samples, this technology significantly reduces fabric waste, production costs, and carbon emissions associated with manufacturing and shipping samples. Digital fabric design helps minimize overproduction and excess inventory.

Embracing digital product creation methods has numerous advantages for the fashion industry. The conventional design process typically involves creating multiple physical samples before finalizing a product. However, digital tools can streamline this to just one or two samples, resulting in substantial cost reductions and the environmental impact of sample production and shipping.

Digital product creation methods produce real efficiency benefits that extend beyond internal processes and impact e-commerce, virtual photography, and interactive consumer experiences like virtual stores, offering brands innovative ways to connect with consumers. Brands also explore consumer-facing innovations, such as virtual stores and real-time interactive shopping experiences, allowing customers to engage with products digitally before purchasing.

As the fashion industry embraces digital transformation, digital fabrics will undoubtedly become more integral to design processes. By reducing waste, saving time, and fostering creativity, digital fabrics reshape how fashion is designed and produced, making the entire process more efficient and innovative. Using advanced technology gives the cotton industry a better shot at what it needs most – more demand.



Above: 3D fabrics allow designers to bring their fashion ideas to life without having to produce samples. Image courtesy of Cotton Incorporated.



Santa's Favorite Cookies

This recipe makes enough cookies to feed a large crowd. If you're making cookies for your family only, be sure to cut the recipe in half. These cookies hold their shape extremely well and bake very quickly. Santa has put his seal of approval on these sweet treats!

Ingredients:

- **4 Sticks Room Temperature Butter**
- **1 cup Sugar**
- **2 Room Temperature Eggs**
- **6 tsp Vanilla**
- **6 cups Flour**
- **1 tsp baking powder**

Instructions:

- 1. Mix.** With a stand mixer, combine butter, sugar, eggs, and vanilla until well incorporated. Add flour and baking powder slowly.
- 2. Chill.** After all ingredients are well mixed and a dough has formed, wrap in plastic wrap and chill in the fridge for a few hours, or overnight. Note that chilling is optional.
- 3. Prep.** Preheat oven to 425.
- 4. Shape.** Roll the dough out on a surface dusted with powdered sugar. Do not use flour as it will dry out the dough too much. Roll to desired thickness, around 1/8 of an inch. Cut the dough into your favorite shapes. Gently lift the cookie shapes onto a foil-lined and sprayed baking sheet. You can also use a silicone baking mat.
- 5. Bake.** Baking time varies depending on the oven. Be sure to watch the cookies closely and do not allow them to brown at all. Usually, they are done within 5-7 minutes. Do not allow the cookies to cool on the sheet. Carefully transfer them to a wire cooling rack immediately after removing from the oven.
- 6. Cool.** Allow cookies to cool completely before icing. Enjoy!



Crockpot Mac & Cheese

Is there a better side dish to add to your holiday table than mac and cheese? Check out the recipe below to make it from scratch - the easy way!

Ingredients:

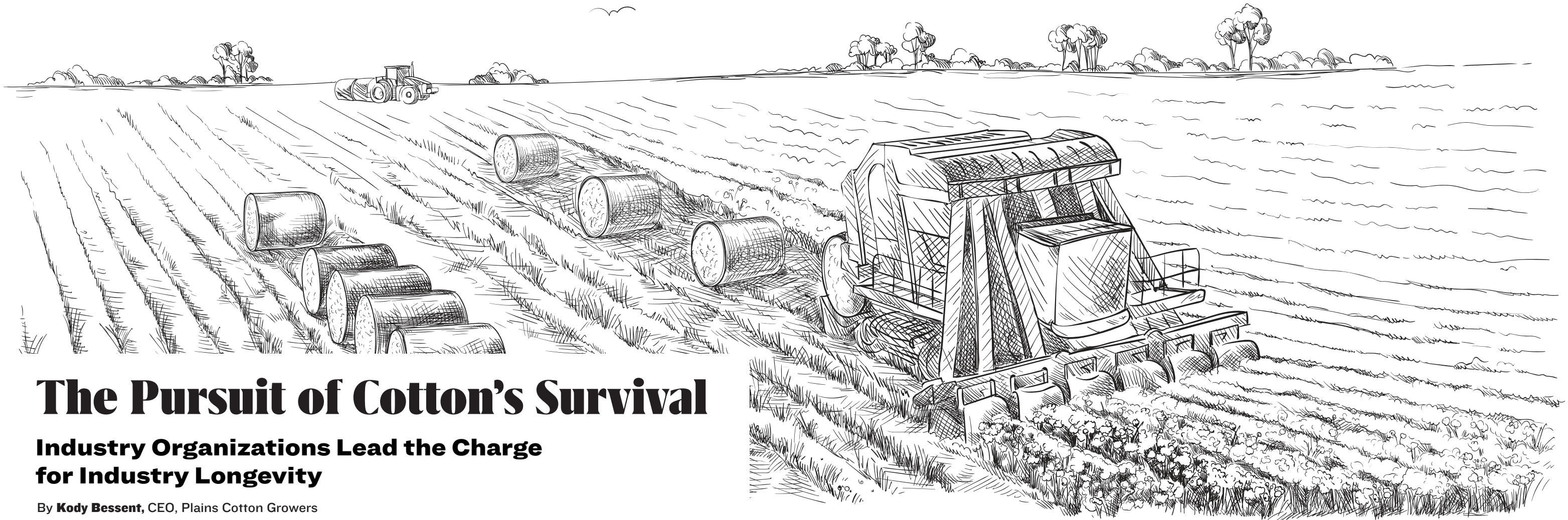
- **1 Package of Macaroni Noodles**
- **4 tsp Butter**
- **4 cups Shredded Cheddar Cheese**
- **16 oz Velveeta**
- **24 oz Evaporated milk**
- **2 cups Milk**
- **1/2 tsp Mustard Powder**
- **1/2 tsp Paprika**
- **Salt**
- **Pepper**

Instructions:

- 1. Noodles.** Boil the macaroni noodles according to package directions, strain, and set aside.
- 2. Crockpot.** Add butter to the bottom of the crockpot. Let it melt, then add the cooked noodles.
- 3. Cheese.** On top of the noodles, add the cheddar cheese, Velveeta, evaporated milk, milk, mustard powder, and paprika.
- 4. Cook.** Cover and cook on low for one hour. Stir at the one hour mark. Cover on low again for an additional hour.
- 5. Season.** Salt and pepper to taste, and serve.
- 6. Enjoy!**

HAVE A FAVORITE RECIPE TO SHARE?

We would love to share them! Please email blair.white@pcca.com to submit your favorite recipe. You may just see it in a future issue of Field & Fiber!



The Pursuit of Cotton's Survival

Industry Organizations Lead the Charge for Industry Longevity

By **Kody Bessent**, CEO, Plains Cotton Growers

Chris Gardner sits in a subway station bathroom with his son sleeping on his lap. It's 2 a.m., and someone is trying to open the door. Tears roll down his face as he presses his foot to the door to keep it from opening. This wasn't how he was supposed to end up. Homeless. Desperate. Trying to make a better life for his child. All the odds stacked against him. All his money is tied up in a dead-end business venture. All his efforts as an unpaid intern for a stock brokerage firm seem hopeless.

If you've watched the movie based on Chris' life, "The Pursuit of Happyness," you know that he keeps trying, keeps pursuing a better life, and ends up on the other side as a multi-million-dollar business owner. If you have not seen the movie, I encourage you to pursue it, no pun intended.

The circumstances the agriculture industry is currently under may make some of us feel as hopeless as Chris did. We may not be in as dire of a situation as some individuals, but our farm economy is currently bleak. Our policy situation has been in suspension for over a year, and right now the American farm legacy is under serious threat. If producers can't secure operating loans for the upcoming year, if commodity prices remain this low while input costs remain at record-level highs, and if profitability doesn't exist, the farming way of life will shift dramatically or cease to exist.

That train of thought is constantly on repeat in producers' minds. As business owners who must continually think of the upcoming year, the future is a scary place for farmers right now.

However, it's situations like this where the cotton industry steps in. This multi-faceted approach includes organizations like PCCA, which are effective on the marketing front and work for you to ensure your profitability year over year. Moreover, your producer advocacy organizations like Plains Cotton Growers, the National Cotton Council, and others were formed to protect and promote your interests at the federal and state legislative level — and like the rest of the cotton industry, we're good at what we do.

In the Pursuit of Happyness, Chris Gardner gets an interview with a stock brokerage firm when he quickly solves a Rubik's Cube in the car

with one of the firm's primary partners. It's our job as industry representatives to solve the puzzle to get in the door with Congress and meet industry needs across the board, be it policy, marketing, finance, etc.

During the most recent multi-commodity D.C. fly-in that took place in September, led by the National Cotton Council, cotton did just that. We partnered with other commodity groups and stressed the need for assistance for our producers and downstream segments, both in the form of a new Farm Bill by the end of 2024 and economic assistance to bridge the gap between now and 2026 so everyone can continue to operate.

While we are advocating for a new and robust 2024 Farm Bill, such as the bill passed by the House Agriculture Committee, several steps must occur before this happens. We're optimistic that Congress will come together and pass strong farm policy for farmers. We're also encouraged by action taken on the FARM Act, which is vital to protecting the agriculture industry and its longevity.

The Farmers Assistance Revenue Mitigation Act of 2024, or FARM Act, was introduced by Rep. Trent Kelly (R-MS), a member of the House Agriculture Committee, on October 25, 2024. The bill seeks to provide relief to producers who have endured sequential years of low prices, when compared to input costs, impacting profitability and the overall financial health of the agriculture economy.

This should give us all hope in times of serious doubt. Your industry groups and associations are looking out for you, and Congress is functioning despite its misnomers.

We will make it to the other side just as Chris Garner did, as long as we never stop pursuing the protection of the agricultural industry - which is the backbone of this country. It's an honor to work alongside PCCA and others to protect and enhance the livelihoods of cotton producers.



Kody Bessent,
CEO, Plains Cotton
Growers

SEED MONEY

Essential Tips for Navigating Farm Loans

By **Blair White**

If there is anything good that has come out of rising input costs and inflation, it's that these challenges have led to the necessity of developing innovative financial assistance programs for agriculturists. Today's farm loan programs available through ag lenders can provide support and financial flexibility so farmers and ranchers can begin, grow, and sustain their operations.

Farm loans can be tricky to navigate, but there are a few critical pieces of knowledge that can serve as a roadmap through the weeds. Doug Hoelscher, Relationship Manager for AgTexas Farm Credit Services, shares invaluable expertise that can help give you the boost you need when you find yourself in an ag lender's office.

"My favorite part of my job is working with farmers," Hoelscher said. "I can relate to them having grown up on a farm, the trials, and any obstacles they may have. That's what keeps me going every day. We are passionate about agriculture and want to help people who are passionate about agriculture, too."

Lenders look at many aspects of your financial situation, such as your overall fi-

nancial standing, collateral in equipment and land, previous three to five years of taxes, and average production history. Having these records ready to present to a loan officer can give you a leg up when making loan inquiries, but when it comes time to apply for a farm loan, there are a few more tasks to complete and items to think through so you are most prepared.

Think it Through

Before you contact an ag lender, be sure to think about the following points:

- 1. Keep up with / be aware of your financial position.** This includes having a good balance sheet with a verified account of your assets and liabilities.
- 2. Be clear on where you currently stand with your operation.** Are you just starting? Have you been farming for a few years? Are you looking to retire?
- 3. Think about what your goals are.** What exactly do you need/are you asking for? Be specific. Are there any potential setbacks to bring awareness to that might interfere with those goals?

"They need to know where they are financially, and it helps to know their goals," Hoelscher said. "That allows us to think about what we need to do to get them where they need to go and best utilize the tools we have to assist them."

Get a Leg Up

In addition to the previously mentioned brainstorming, three items are also helpful to have in place:

- 1. A clear business plan**
- 2. A good bookkeeping system/strong records**
- 3. A diverse operation for multiple income streams**

"Good records help us, and they help them too," Hoelscher explained. "They can see where they are, and we can see the financial and production trends. If something stands out, we can address it before they get in too big of a bind."

Types of Ag Loans

Next, consider what type of agricultural loan you need. The specifics of each can vary by financial institution, but some include:

- Farm Loans
- Livestock Loans
- Real Estate Loans
- Rural Home Loans
- Agribusiness Loans
- Equipment Loans
- Operating Loans
- Equipment Leasing

Tips for Starting a Farming Operation

It's no secret that beginning an operation in today's farming climate is an uphill battle. Acquiring all the capital needed to purchase equipment, land, and pay employees takes time.

"We want to take it easy, try to rent some farmland, maybe buy some equipment, and see how it goes," Hoelscher advised. "Then, as you get more equity in your operation, we can leverage that to help you grow."

Fortunately, ag lenders consider that farmers just beginning their careers may not have the equity their seasoned counterparts possess.

"If they don't have the resources to inherit a farm or have someone help them out with equipment or cosign the loan, we use the Farm Service Agency," Hoelscher said. "They do guaranteed loans, and AgTexas is a preferred lender for those."

An ag lender may ask:

- **How do you want to get started?**
- **How much do you want to farm/what is your plan?**
- **Where do you want to be/what is your end goal?**

For AgTexas specifically, their services include consultative lending. Their priority as lenders is to look out for the farmer or rancher's future before loaning out money. While the lenders will not make any decisions for the client, they will provide as much information and insight as possible to help make informed decisions.

Tips for Established Farmers

Many of the previous pieces of insight also apply to established farmers. Farm Service Agency (FSA) loans are not just for beginners. They can also help preserve cash and liquidity for those well into their farming careers. FSA loans also serve as tools to assist the farmer or rancher. AgTexas offers guaranteed programs that offer financial flexibility. Once again, keeping good records is beneficial no matter what year of operation you are starting. Brainstorming answers to important questions is an excellent task to add to the start of each new crop year.

"Most farmers' goal is to farm another year," Hoelscher said. "Yes, that's good, but I need a little more than that. Where do you see yourself? Where do you want to get to so you can retire comfortably?"

It can also be essential to check the business structure of your potential farm credit lender. For example, AgTexas, like PCCA, is a co-op. This means their borrowers are stockholders in the organization, which allows them to pay a portion of earnings back to their members each year (patronage). Patronage payments help subsidize growing input costs and higher interest rates in today's market.

A History of Ag Lending

Four years into the Great Depression, President Franklin D. Roosevelt established the Farm Credit Act of 1933. This legislation established the Farm Credit Administration (FCA) and a system of banks to loan money to farmers, ranchers, and cooperatives to alleviate some of the financial burdens and allow them to continue operating. In 1941, those agencies would help feed citizens and

soldiers during World War II. By 1953, an updated act was passed, placing the Farm Credit Administration under the United States Department of Agriculture to streamline government operations and improve the overall efficiency of farm credit and federal agriculture policies. This strengthened FCA and ensured farmers and ranchers would have access to the credit they needed to survive and thrive.

Shortly after the great depression and WWII, the Farm Crisis of the 1980s devastated thousands of farmers across the country. The Agricultural Credit Act of 1987 created a new Farm Credit Administration board directing agricultural mergers and restructuring efforts. Additionally, the federal government was authorized to provide \$4 billion in assistance to the farm credit system for restructuring debt, stabilizing finances, and avoiding insolvency in rural America. In 2005, the system repaid the last of the federal capital provided during the 1980s. In conclusion, The Agricultural Credit Act of 1987 laid the foundation for more stable and sustainable agricultural lending practices that are still in place today. *Source: farmcredit.com/timeline*

Loan Checklist

Use this checklist to help gather the materials your ag lender will likely request when processing your loan. Cut along the dotted line to take it with you!

- ☐ **Clear business plan**
- ☐ **Verified records of assets and liabilities**
- ☐ **Answers to these questions:**
 - Where are you now?
 - Where do you want to be?
 - What exactly do you need?
- ☐ **Previous three to five years of tax returns**
- ☐ **Verified records of assets and liabilities**



Field vs Pavement:

The Fight for America's Farmland

By **Kaylee Hendricks**

Agriculture in the United States is at a critical crossroads as the demand for urban development increasingly intrudes on farmland. This battle between farmland preservation and urban expansion reshapes landscapes, alters economies, and threatens food security. The tension between the need for housing, commercial spaces, and infrastructure development on one side and the need to preserve agricultural land on the other creates a complex dilemma for policymakers, farmers, and urban planners.

According to the American Farmland Trust, the U.S. loses 2,000 acres of agricultural land daily. This loss has significant consequences for rural economies and food and fiber systems. Once fertile land converts to non-agricultural use, it becomes difficult, if not impossible, to reclaim it for farming, permanently reducing the country's capacity for domestic food and fiber production. As a result, agriculturists must do more with less than ever before.

"Sustainable practices are important for several reasons, but I think most producers would say they make the most sense," said Kali Mabe, PCCA Sales and Sustainability Specialist. "If farmers want to be successful, they will focus on the land to ensure it is healthy and productive. Sustainable practices, like implementing a crop rotation, producing a cover crop, and minimal tillage, are all proven techniques for this."

Several factors are driving the rapid urbanization that threatens U.S. farmland. Population growth in many regions of the country is one of the primary drivers, pushing up the demand

for new housing and infrastructure. Suburban and exurban development, characterized by low-density residential areas and commercial zones, often requires large tracts of land. Developers favor flat, open spaces—attributes that make land ideal for farming.

Economic forces also play a critical role. Farmers facing financial difficulties may find it more profitable to sell their land to developers than to continue farming, especially in regions where land values are skyrocketing. This trend is particularly common near expanding cities, where rising property values make farming less financially viable.

The loss of agricultural land to urban development poses severe challenges for the U.S. agricultural sector. Reduced land availability can lead to lower domestic food and fiber production, increased import reliance, and higher prices. This is especially concerning in a country that has long been one of the world's largest agricultural producers and exporters. Farmers who preserve their land during urbanization play a crucial role in maintaining local production, reducing environmental impact, supporting biodiversity, and sustaining rural economies and cultural heritage.

"I've never met a single farmer who didn't want the opportunity for their son or daughter to continue the family farm," said Mabe. "The next generation is a crucial stepping stone in guaranteeing the viability of cotton and the agriculture industry. No other industry has stood the test of time like agriculture."

Even though farmers are now achieving higher productivity levels with fewer resources than ever, the need for land remains. According to National Geographic, by the year 2050, farmers are anticipated to face the massive challenge of feeding and clothing an additional two billion people, raising the global population to more than nine billion. This unprecedented increase underscores the critical importance of sustainable farming practices and the efficient use of agricultural land to ensure food and fiber security for the future.

"In an occupation where the agenda for the day relies on Mother Nature, producers rely on advancements in the industry to ensure their continued success. Precision ag has greatly influenced how farmers can produce more with less," explained Mabe. "GPS directly correlates with decreasing the amount of synthetic chemicals and fertilizers used on the land. Seed companies constantly evolve their genetics to cater to different environments, which can instantly change in West Texas. With a growing population, producers must continue pursuing advancements in the industry to ensure their long-term success."

Urban expansion can also fragment farms, making agricultural operations less efficient. When farmland divides into smaller, disconnected parcels, it becomes more challenging for farmers to manage their operations, transport

goods, and maintain economies of scale. With the changes from urban expansion, land used for cotton is at risk due to additional pressures of food production.

In addition to economic concerns, converting farmland to urban uses can have significant environmental consequences. Agriculture is vital in carbon sequestration, water management, and biodiversity preservation. When farmland is lost to urbanization, natural ecosystems can degrade, water resources become strained, and greenhouse gas emissions may increase as more land is developed for urban use.

"Sustainable farming practices like crop rotations and cover crops greatly impact issues like carbon sequestration, water management, and biodiversity," said Mabe. "When a producer plants a cover crop in the winter to help preserve their topsoil, they also capture carbon. When it rains, cover crops filter the soil, allowing water to sink into the earth rather than runoff. Crop rotations create thriving animal habitats that positively impact the soil and its productivity."

Recognizing the threat posed by urban development to farmland, various states and localities have implemented policies to preserve agricultural land. Zoning laws, agricultural easements, and urban growth boundaries are some tools used to limit urban sprawl and encourage more compact, sustainable development.

As the United States grows and urbanizes, balancing the need for housing and economic development with preserving farmland will become an increasingly difficult challenge. Urbanization has many positive aspects. It can drive economic growth, improve infrastructure, and promote innovation and technology. Cities are hubs of economic activity and provide numerous job opportunities and better access to education and healthcare than rural areas. However, farmland is crucial in maintaining the need for food and fiber. Farmers, policymakers, and urban planners must continue collaborating to find solutions that balance the competing demands for land.

"Sustainability programs have made a huge impact in the legislative space," explained Mabe. "Programs like the U.S. Cotton Trust Protocol have helped facilitate movement between producer and government. The USDA's Climate Smart

Grant is a great example of this. Had the Protocol not actively searched for and obtained the grant, many producers in the area might not have known and been able to receive financial incentives for adopting sustainable farming practices."

The battle for land between agriculture and urban development in the United States is shaping the future of rural and urban areas. Preserving farmland is essential for maintaining the nation's food and fiber security, protecting the environment, and sustaining rural economies. By adopting policies promoting responsible growth and farmland preservation, the U.S. can meet the needs of its growing population and agricultural sector. The future of agriculture, and by extension, food and fiber security, depends on preserving the land needed for farming while accommodating the growth and development necessary for an expanding population.

"I've never met a single farmer who didn't want the opportunity for their son or daughter to continue the family farm. The next generation is a crucial stepping stone in guaranteeing the viability of cotton and the agriculture industry. No other industry has stood the test of time like agriculture."

BOOTS ON THE GROUND: AN INSIDE LOOK AT MEMBER COMMUNICATIONS

By **Taylor Norris**
PCCA Member Communications

Boots on the ground—we have all heard this phrase, and PCCA practices it daily. One idea stood out when PCCA leadership considered how the cooperative could reach thousands of members across multiple states. What better way to reach growers and gins than putting actual PCCA boots in their backyards? That's where the Member Communications team comes in.

The PCCA Member Communications staff covers specific regions; each assigned a particular area to serve and manage. While daily activities vary according to the season, our team has one common goal: to give our grower-owners and gins a personal relationship with PCCA.

Each Area Manager spends their days visiting gins and producers or following up on those visits in the office. While face-to-face interaction is the bulk of our daily mission, we take on many tasks to better serve our grower-owners. Whether attending industry or annual meetings or walking the fields, we are working hard to bring you the best service in the industry.

We spend much of our time during the growing season scouting fields and reporting on crop progress and conditions. PCCA needs to know what kind of crop to expect in the marketing year. This information helps our Sales team make decisions regarding marketing our members' cotton. Each Area Manager also returns any information we gather from gin office staff and producers to the PCCA office. One example of this is collecting ginning estimates from each of the co-op gins in our respective areas. We work hard to keep a steady flow of information in and out of PCCA's doors.

Once it's harvest time, our jobs shift again. We keep track of the crop during this time (percent harvested and ginning progress), but we also put on our marketing hats. The Member Communications team works very closely with the Sales Department to help get our grower-owners' open-market cotton sold. We are constantly sending out PCCA Direct® bids, assisting with Direct On-Call, and getting bids pushed out through The Seam®. We aim to ensure producers know we have a home for their cotton. If a gin or producer wants to know what we could give them for a specific lot of cotton at any given time, your Member Communications representative is only a call away.

After ginning has wrapped up, it's usually time for our grower-owners to start making marketing decisions for the new crop year. We plan and execute many marketing meetings to give producers all the information they need to help them make these difficult decisions. At these meetings, the Member Communications and Sales staff present all our marketing tools and provide a market update - another example of how we work to be your boots on the ground and your trusted marketing co-op.

We take on many small tasks that might go unnoticed but genuinely are an added value to our grower-owners. The Member Communications team ensures every gin office has loan charts and marketing information for producers. We make sure at least one PCCA representative is at every meeting we get an invitation to. Each Member Communications representative tries to accompany our grower-owners for verifications for sustainability programs. We send out the monthly Market Summary to growers and gins, and of course, ensure we get any current news and information out as quickly as possible. We take the time to listen to and answer every question or concern and make sure that each grower feels heard. Each producer and gin must know we've got your back and are your friend in the fight.

Every day, we are fighting for our grower-owners. We are working to ensure they are informed and feel they have a relationship with and a voice at PCCA. The Member Communications team is constantly working to improve these relationships. Not only are these business relationships, but they are personal ones, too. We value your friendship, support, and business more than you know. Whether we deliver checks, bid on cotton, bring guests out to show off your farm and gins, or provide promotional information, you can bank on this - our boots are on your ground, and we are your support.

Member Communications Area Managers:

Allen Hoelscher,
Director of Member Communications -
Texas Rolling Plains

Taylor Norris - Texas South Plains

Aubry Heinrich - Kansas & Texas
Panhandle

Matt Monroe - Oklahoma

Toby Teichelman - Texas Rolling Plains

**Our South Texas team is also instrumental in
connecting PCCA with growers and gins.**

Cris Gwinn,
South Texas Division Manager

Andrew Sloan - South Texas

*Happy
holidays*
from your friends at PCCA!

PCCA POOL ENROLLMENT PERIOD

2025 - 2026

South Texas
January 1 - 31

West Texas, Oklahoma, & Kansas
March 1 - 31



pcca.com

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