

## Farmers expected to plant less cotton again this year

By Jane Roberts

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Between the rows and rows of gadgetry, some bigger than a barn, at the 57th annual Farm and Gin Show at the Memphis Cook Convention Center today lies the Mid-South cotton industry in a microcosm.

The Gin Show used to be a tribute to the wonder of cotton and the magnificent infrastructure that ginned the fiber, crushed the seed, stored the bales and shipped the whole works off to U.S. textile mills.

Today, what was king in Mississippi and the rest of the Delta is the No. 6 value crop in the Magnolia State, playing duke to king corn and queen soybean.

If the displays of products in the aisles for raising beans and corn don't convince you, perhaps the official program will: More than 450 exhibits featuring all major Mid-South crops.

"What a time for the markets and all things happening in agriculture," Tim Price, executive vice president of the Southern Cotton Ginners Association, said as he opened the show Friday. "You can see the talent and abilities of Mid-South farmers who have adjusted to changes in one year."

Farmers here are expected to plant 25 percent fewer acres in cotton for the second year in a row, abandoning the weekend-honored gin for combines and elevators.

With the acreage in Mississippi and Louisiana less than half of what it was two years ago, gin managers are feeling the pressure.

Bart Easley has worked for three decades managing gins in the Mississippi Delta. This year, for the first time, he's thinking he may have to leave his longtime job at the Holmes Gin Co. in Tchula, Miss., to move to Georgia or even Texas, which is expected to produce half the U.S. cotton crop this year.

"We had just under 50 percent of our acres planted in cotton last year. This year it looks like we could be down from 20,000 acres to 6,000," he said.

The number of cotton gins in the Cotton Belt decreased from 835 in 2006 to 800 in 2007, part of a steady decline since the days cotton was hauled to the gin by mule, said Carl Anderson, professor emeritus at Texas A&M.;

"As the production shrinks in some regions, we lose that gin, and then it's 75 miles to the next gin. I don't think we can afford to haul cotton that far," he said. "Once the gins go, history points out, they rarely come back."

Cotton acreage is expected to drop from 15 million acres in the United States to about 9.5 million acres this year.

"That is going to cause the shock waves to hit the infrastructure," Anderson said.

In the fertile Mississippi valley, the drop in acreage is dramatic because the land is well-suited for a number of crops, giving producers the flexibility to plant high-value corn, soybeans and wheat.

"My heart says we are going to keep the infrastructure," Price said. "We may mothball it, but we will not lose it."

What makes him confident in the rise in cotton prices as the war for acres favors soybeans and corn?

"Right now the cotton market is closer to competing for crop acres than it was a year ago, but we're not there yet," Price said.

By 2009, he said, there will be a bump back to cotton acres.

Joe Nicosia, CEO of Allenberg Cotton Co., sees a similar vision.

On Friday morning, Nicosia packed the convention for his annual outlook speech, a tutorial on global supply and demand becoming a must-attend for the Mid-South industry.

"These are the best of times and the 8.7 million bales still left from last year's harvest, the second highest number in 20 years," Nicosia said.

"That's a lot of cotton we have to work off."

U.S. cotton farmers are second to India in supplying China, the No. 1 market in the world.

In two years, U.S. cotton's market share there has slipped 50 percent as India picks up steam, he said.

"These are bales we are never going to get back. This is a drop in demand that is going to come straight off our export numbers."

The United States exports about 80 percent of its cotton crop.

The good news is that as the world burns food for fuel, the price of cotton will rise, Nicosia said.

"The fight for acreage has started. ... There's been a huge spike in soybean prices, and the cotton price in the last three weeks has risen dramatically.

"The marketplace is crying for your production. It wants it, and it's willing to pay for it."

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