

Sun is not sinking, U.S. ginners say

By LUCIANNE SHOFFNER

IS the sun setting on cotton production? Judging from comments of ginners across the Mid-South, the answer is: not without a fight.

At the Southern Cotton Ginners Association annual summer meeting, ginners spoke with Congressman Travis Childers, D-Miss., member of the House Ag Committee. Childers pointed out that when he was sick, he went to see the doctor; when broke, he went to see a banker; and when he needed information on farming, he would go to farmers.

Every state represented at the meeting had a chance to share their viewpoint, starting with Stewart Tritt of Tennessee.

"We are third-generation ginners, we grow cotton and have been able to make a good living," Tritt said. "With energy prices at their current level, we are entering into survival mode. We've added another business outside of our gin, seed processing, fertilizer, chemicals and farm just to survive.

"Regulations, insurance costs, financing costs all make it harder to compete each year. And everyone is reducing cotton acreage this year due to higher input costs and higher returns on soybeans."

Tritt continued, "The cost of fuel is moving up so fast that profit is luck. We are all fo-

"Our costs have gone through the roof, and now our crops are damaged because of recent hurricanes," Guthrie says.

"Commodity prices that sounded good a year ago don't sound or look good now," he adds. While corn and soybeans were up during the year, cotton prices began to respond, but eventually retreated when, despite the ups, no one would offer a contract.

"I don't think you can say which way prices are going. Simple supply-and-demand economics seem to no longer be the sole driving force of our commodity markets. It's way more complicated than that.

"We're in a surviving 2008 mode right now."

VERY REAL CONCERNS:

Ginner and grower Billy Guthrie says, "We face some real challenges right now."

Key Points

- Mid-South ginners are in a survival mode.
- Ginners say don't count them out just yet.
- The best way toward more acres is increased markets.

cusing on trying to survive. We are passionate about what we do, our family farm and gin, and we don't want our way of life to disappear."



Representing Missouri, Jeff Lindsay of the White Oak Gin had this to say: "In 2006, we processed 79,000 bales. In 2008, we processed 25,000 and look to have even less in 2009."

White Oak Gin has 62 shareholders — farmers — and they are looking at several other issues as well as fuel cost, which is a major problem.

"Few laborers

want to work in this industry. Migrant workers don't even want it." They had 56 seasonal employees and are looking at cutting some of those. "That means fewer dollars in town and hurts our area economy," Lindsay said.

More markets needed

Ted Kendall of Bolten, Miss., continued in the same vein.

"In World War II, we had six gins in my town; now we only have one," Kendall said. Gins and cotton acreage are drying up all across the South. "We have so many regulatory and labor problems; the biggest problem is finding the labor."

Other ginners and growers continued with the same words and added a plea to Congressman Childers: "Please help us to open more markets for our cotton!"

While there is a radical reduction in the backup for U.S. price supports in the world viewpoint, Larry McClendon of Marianna, Ark., strongly espoused the need for more market access. "The best way to increase cotton acreage is to increase our market share in the world.

"U.S. cotton is much more valuable to other countries across the globe because of its consistent length and quality," McClendon said. "We also have less contamination using our processing facilities."

"We need to have value-



2 out of 3 cotton bales bound to go overseas

WHILE growers and ginners alike do have problems in this country, they can't forget that two out of every three bales of their cotton leave this country," says Mike Watson, vice president of fiber quality for Cotton Incorporated. "Global mills are tuned to hand-harvested cotton. The rest of the world deals in tons, and one bale is pretty much just like the other.

"Our major importer is China," Watson continues. "They have the same equipment as ours in 10,000 gins, and 2009-10 is the target date to get China modern. Chinese cotton is longer, but ours is stronger. In the last few years, their mills used our cotton more than their domestic cotton."

The Chinese are expected to consume a total of 53 million bales in 2008-09, with more than 12 million coming from the U.S. due to consistency in length and quality.

The No. 1 controllable quality issue in the global cotton industry is contamination. When packaging is torn and something seeps into the cotton, it's a bigger issue, literally. Other countries have smaller bales that are completely covered in fabric, protecting them more.

In a global market, cotton is taken to a gin, then to a dock and a warehouse and loaded — 88 bales to a container for a truck/train. It is then taken to a port and shipped. When it goes across the border to another country, it is mixed with cotton from other countries and made into thread and fabric and shipped back to us, where it meets its biggest competitor: synthetic fiber.

Cotton farmers and ginners have come down a long road in the past 50 years. They have seen acreage reduction, gin reductions and farm reductions, yet they keep going. Price says. They are a strong group of men, women and families who believe in what they are doing, believe in their lifestyle and would do just about anything to keep it.

They also realize that they need to be flexible, smart and realistic about what is in their industry. Acreage may continue to drop, especially with higher prices and lower input costs for other crops, but they will keep on doing exactly what they do best: grow the best cotton in the world at the best price and grow it more efficiently than any other group of growers.

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added processing, find new uses for our gin trash, oil and seed," said Tim Price, Southern Cotton Ginners Association executive vice president. "The trash from cotton may be as useful and as valuable as cotton itself in the future as hydro-mulch, geoskin and other green products." The National Cotton Council is finding new uses for cotton to the extreme.

Price added, "Cotton needs a level playing field in the world market while we deal with the economy and wait on research and new technology."

Addressing labor issues

for the group, Ann Margaret Pointer, ag labor specialist and attorney, said, "If you want to be in ginning, and you have laborers, you must comply with the rules in MSPA/H-2A."

Many gins and small businesses across the country do not comply with the rules, and they are put out of business because of lawsuits that could have been prevented if they had just done their homework.

Pointer provided a site for information: www.laborlawyers.com.

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