
2021 HARVEST SEASON HAS ARRIVED ON THE TEXAS HIGH PLAINS FOR PRODUCERS/GINS

October 8, 2021

By Shawn Wade

Cotton producers and ginners throughout the High Plains region are ramping up harvest and ginning activity on the 2021 cotton crop after receiving almost ideal weather to finish out the crop over the past month and a half.

Generally open weather in September and October allowed producers to overcome a later than normal start. With the finish line for the 2021 crop in sight producers are actively applying harvest aid materials and getting ready to hit the fields.

Area gins have also been preparing and appear ready to go as the USDA Cotton Classing Office in Lubbock reports that it has already received around 1,800 bales from eight different gins around the area.

Yield expectations remain optimistic for both irrigated and dryland acres as producers appear poised to harvest a crop that should eclipse long-term average production levels. However, production estimates for the region are still fairly diverse, generally ranging from 4.5 million to over 5 million bales.

“The 2021 crop is one that has been especially hard to pinpoint,” says Plains Cotton Growers Chief Executive Officer Kody Bessent. “We have been very fortunate, with near optimum growing conditions prevailing since early June that provided timely rainfall and plenty of warm, sunny days.”

The result is becoming increasingly evident in the fields where below normal acreage abandonment will allow upwards of 85 percent of the roughly 4 million acres planted to be harvested.

Adding to the optimism for producers is a strong demand situation that has been able to support cotton prices at levels above 90 cents per pound for several months leading up to harvest. The recent market surge above \$1.00 will certainly add fuel to the effort to get cotton out of the field and ginned in a timely manner, although how much of the crop will be able to cash in at current price levels is unclear at this point.

A plethora of additional factors, including speculation of funds, cotton flow logistics, textile demand and overall cotton supply, will influence how

much demand for cotton will eventually be satisfied at these higher price points. What the price surge will do is allow producers to potentially realize prices at a profitable level when compared to the cost of production.

Weather-wise, the forecast for the next two weeks includes the arrival of multiple cool fronts putting the area in a more seasonal pattern when compared to recent weeks. Fortunately, the outlook does not include much in the way of rain, which should allow harvest activities to continue to gain momentum and see the area fully engaged in the harvest by the end of October.

USDA ANNOUNCES FINAL 2020 PRICE LOSS COVERAGE PAYMENT RATES

October 8, 2021

By Kody Bessent

USDA has published the final 2020 Price Loss Coverage (PLC) payment rates for all covered commodities except rice, based on effective reference prices for the 2020 market year. Accordingly, the 2020 PLC payment rate for Seed Cotton has been finalized at \$0.0277 cents per pound.

To calculate the final seed cotton PLC payment rate, seed cotton market year average price is calculated from the weighted average of the marketing year average prices for upland cotton and cottonseed. The marketing year for upland cotton is August 1, 2020 to July 31, 2021 and the marketing year for cottonseed is August 1, 2020 to February 28, 2021.

The PLC program is a commodity support program that makes deficiency payments when the marketing year average price for a covered commodity falls below a statutory reference price established by Congress.

PLC program payments are issued when the effective price of a covered commodity is less than the effective reference price for that commodity. PLC payments, when triggered, are calculated using a formula that includes a producer’s PLC payment yield multiplied by the final PLC payment rate and 85% of the farm’s base acres for each covered commodity.

All 2020 PLC payments are subject to sequestration and will be reduced by a percentage specified under budget reconciliation rules adopted by Congress.

In recent years the sequestration rate has been in the range of 6.2 to 6.6 percent. PLC payment reductions,

due to sequestration, will be applied before farm bill payment limit rules are applied ensuring producers are able to receive the full amount of payments allowed under current farm program rules.

According to the Farm Service Agency (FSA), authorized program payments are being loaded into the USDA system now and should begin being issued within the next 10-14 days.

2020 Final Price Loss Coverage Payment Rates

Covered Commodity	2020 Effective Reference Price	Final 2020 Effective Price	Final 2020 PLC Payment Rate	Unit
Wheat	\$5.50	\$5.05	\$0.4500	Bu.
Peanuts	\$0.2675	\$0.2100	\$0.0575	Lb.
Corn	\$3.70	\$4.53	\$0.0000	Bu.
Grain Sorghum	\$3.95	\$5.04	\$0.0000	Bu.
Soybeans	\$8.40	\$10.80	\$0.0000	Bu.
Seed Cotton	\$0.3670	\$0.3393	\$0.0277	Lb.

For the full listing of eligible covered commodities and final payment rates go to: https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/arc-plc/2020/pdf/2020_plc.pdf

REGENERATIVE AGRICULTURE EVALUATION GETS UNDERWAY IN TEXAS AND OKLAHOMA

October 8, 2021 by Shawn Wade

A team of scientists from Texas A&M AgriLife has received a \$10 million grant from the USDA National Institute of Food and Agriculture to improve agricultural production and evaluate the impacts of regenerative agriculture in semi-arid ecoregions in Texas and Oklahoma.

From carbon sequestration to greenhouse gas emissions to cover crops, this will measure soil carbon capture and greenhouse gas emissions in the field in the sustainable agriculture study.

The Texas A&M AgriLife Research soil scientist Katie Lewis, Ph.D., of Lubbock, will lead the project which aims to further understand and encourage the widespread adoption of regenerative agriculture practices that increase crop production and profitability while reducing agriculture’s environmental footprint.

Discussing the project, Lewis said, “relationships between soil health and implementation of regenerative practices, agricultural production, climate change and regional economics are complex and poorly understood, particularly in the Southern Great Plains.”

The five-year study titled, “Sustainable Agricultural Intensification and Enhancement Through the Utilization of Regenerative Agricultural Management Practices,” will be funded by the \$10 million USDA NIFA grant.

“What’s so exciting about this research is it will be the first regenerative agriculture project to cover this large of an area across both Texas and Oklahoma,” Lewis said. “With carbon being such a hot topic, we want to take a closer look at carbon sequestration – what is being captured and what is being lost through greenhouse gas emissions.”

Many times, talk of cover crops or regenerative agriculture in the U.S. refers to areas with 40 to 50 inches of rain per year. This amount of rain is not what typically occurs in Texas and Oklahoma, one of the largest cotton and livestock production regions in the nation.

Lewis notes that little research has been conducted to understand how regenerative agricultural practices perform when incorporated into a larger production system and under the varying precipitation of semi-arid regions.

“We want this to be as real as possible,” Lewis said. “There’s just so much information that is not suited for our regions. This project is going to result in the optimization of practices for semi-arid regions that will result in profitable and sustainable practices.”

The team’s approach will look at not just one practice in isolation but the entire agricultural production system that includes cover crops, crop rotations, grazing and other management techniques that can work on a farm-by-farm situation.

“Long-term, region-specific research, especially in semi-arid regions, is needed to better understand regenerative practices and the effects on soil health and water use in cotton agroecosystems,” Lewis said.

To read the full article with links to the project narrative and other background information go to the AgriLife Today website here: <https://agrilifetoday.tamu.edu/2021/10/06/regenerative-agriculture-evaluation-gets-underway-in-texas-and-oklahoma/>

Editor’s Note: “Cotton News”, a weekly service of Plains Cotton Growers to the cotton industry and news media in the 42-county High Plains area, is mailed from Lubbock each Friday. Its contents are confined to news items and comments pertaining to the High Plains cotton industry which is so vital to U.S. all. Anyone interested in making comments about the contents of this column can call 806-792-4904 or Email PCG at: editor@plainscotton.org