

PCG BOARD HOLDS QUARTERLY DIRECTORS MEETING

October 15, 2021 By Shawn Wade
The Plains Cotton Growers, Inc. (PCG) Board of Director’s quarterly board meeting was held October 13 at the FiberMax Center for Discovery in Lubbock, Texas. The shared sentiment among those present was an eagerness to get the 2021 harvest season started.

Most of the producers in attendance noted that cotton in most areas is being prepped for harvest and that in some cases harvest activity has already started. In fact, according to the weekly office reports from the Lubbock and Lamesa USDA Cotton Classing offices 35 area gins have already started processing cotton.

The Lubbock and Lamesa Classing offices have processed just over 25,000 samples through October 14 and early returns indicate a good-quality crop in the fields and ready to harvest.

During the meeting the PCG Board received reports on activities related to current legislative and regulatory issues from Tas Smith, vice president of producer affairs with the National Cotton Council (NCC), Dr. Bart Fischer, co-director of the Texas A&M Agricultural Food & Policy Center (AFPC) and a market update from Darren Newton, a southwest cotton buyer with Viterra Agriculture USA.

Smith provided an overview of current agriculture and climate policy initiatives working their way through Congress and highlighted the approval and extension of the WHIP+ program to cover 2020 and 2021 crop losses. He also discussed the recently announced 2020 Price Loss Coverage program payment rates for seed cotton.

Additionally, an update was provided on current regulatory issues the agriculture industry is facing such as Waters of the United States (WOTUS). He noted that a draft of a new WOTUS rule from the White House is forthcoming and could be available with an opportunity for public comment by the end of the year.

Smith concluded his presentation with a call for producers to look into participating in the U.S. Cotton Trust Protocol.

Fischer discussed current tax proposals that have been considered as possible spending offsets by House

and Senate Democrats to pay for new spending included in the previously proposed \$3.5 trillion budget reconciliation plan to further the Biden Administration’s “Build Back Better” agenda.

AFPC’s analysis of the “Sensible Taxation and Equity Act” (STEP Act) and the “For the 99.5 Percent Act” (99.5% Act), concluded that if enacted by Congress through reconciliation or other legislative means, would create additional tax liability for 98% of the representative farms that were analyzed.

Darren Newton rounded out the meeting with a report on the current cotton market situation noting that the recent price surge that has pushed cotton prices above \$1 per pound continue to be supported by good demand. He said that producers who still have cotton to market have opportunities to sell into the higher prices we are currently experiencing.

Newton concluded by saying one of the keys for buyers looking to purchase cotton at current price levels is the ability for the crop to be shipped and delivered in a timely fashion. Current ocean freight delays continue to remain a concern.

2021 COTTON QUALITY REPORTS

The following is a summary of the cotton classed at the Lubbock and Lamesa USDA Cotton Division Cotton Classing Offices for the 2021 production season. To see the full reports, go to the PCG website at <https://plainscotton.org/quality-reports/>

2021 High Plains Cotton Quality Summary

<i>Current Week:</i>				
<i>Office</i>	<i>Bales</i>	<i>Color</i>	<i>Leaf</i>	<i>Staple</i>
<i>Lamesa</i>	6,196	21+ - 67.7% 31 - 0.1 %	1.89	36.57
<i>Lubbock</i>	16,499	21+ - 35.4% 31 - 1.2%	2.39	35.55
<i>Mike</i>				
	<i>Strength</i>	<i>Uniformity</i>	<i>Bark</i>	
<i>Lamesa</i>	3.97	30.55	80.22	6.3%
<i>Lubbock</i>	3.79	30.47	79.97	7.4%
<i>Season Totals To Date:</i>				
<i>Office</i>	<i>Bales</i>	<i>Color</i>	<i>Leaf</i>	<i>Staple</i>
<i>Lamesa</i>	6,326	21+ - 68.2% 31 - 0.1%	1.89	36.56
<i>Lubbock</i>	18,320	21+ - 36.0% 31 - 1.4%	2.40	35.54
<i>Mike</i>				
	<i>Strength</i>	<i>Uniformity</i>	<i>Bark</i>	
<i>Lamesa</i>	3.96	30.58	80.21	6.1%
<i>Lubbock</i>	3.79	30.60	80.03	7.3%

Source: USDA AMS

NCC MONTHLY COTTON ECONOMIC REVIEW

October 12, 2021

By Kody Bessent

This week, the National Cotton Council released their monthly cotton economic review report. The crop production estimate for upland cotton in the Southwest region which includes Kansas, Oklahoma and Texas is pegged at 8.97 million bales, across 5.77 million harvested acres. Regional yield is projected to be 747 pounds, which is 18 pounds higher than the 5-year average of 729 pounds per harvested acre.

Crop progress and conditions remain very favorable in the U.S. and Southwest, with 95% of the Kansas crop rated fair or better, while 96% of the Oklahoma crop and 94% of the Texas crop is rated fair or better.

Crop quality continues to improve as harvest progresses. According to USDA, through the week ending October 7, 96.5% of the U.S. crop received Color grade 41 or better, an increase from the 5-year average of 83.1%. The Southwest region showed the largest improvement in Color grade with 96.8% of the crop graded at 41 or better. Average staple length for the U.S. is currently a 37.0, slightly up in all regions compared to the 5-year average except the West.

Cotton continues to remain competitive as world and U.S. cotton prices have increased over the past several weeks. Since September 23, the average of the 5 lowest Far East quotes has increased 14.22 cents/lb. to 112.99 cents for the week ending October 7. The low U.S. quote for the Far East (USFE) increased 16.65 cents/lb. over the same period taking a value of 118.30 cents for the week ending October 7.

This month's World Agricultural Supply and Demand Estimates (WASDE) report estimated the average price received by farmers for U.S. upland cotton for the 2020-21 season was 66.30 cents/lb. The current forecast for the 2021-22 season is 90.00 cents/lb.

Additionally, according to USDA-NASS the average price received for cottonseed for the 2020-21 crop year is estimated at \$194/ton. In comparison, the September 2021 USDA/ERS Oil Crops Outlook report forecast average cottonseed price received for the 2021-22 season at \$235/ton.

For the full cotton economic review report go to <https://tinyurl.com/mzy4mfdb>

OCT. 19 "COTTON & COFFEE" TO DISCUSS STATUS OF CARBON CREDIT MARKETS

October 15, 2021

By Kody Bessent

The National Cotton Council and Cotton Incorporated encourages growers to participate in the upcoming Cotton & Coffee program, scheduled for Tuesday, October 19, 2021, at 7:30 a.m. Central via Zoom web call.

This month, Gary Adams from the National Cotton Council and Jesse Daystar from Cotton Incorporated will provide an overview of the current climate of the carbon credit market and discuss what cotton growers should know and ask before making carbon credit decisions.

Registration is complimentary and open to all U.S. cotton producers and industry partners, but you must pre-register to attend, so please contact your local Cotton Board Regional Communications Manager. The two covering Texas are Shelley Heinrich, 806-670-3250, sheinrich@cottonboard.org; and Christi Short, 469-951-6161, cshort@cottonboard.org.

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