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The Pulse of our Economy

Friday, January 22, 2016 By Texas Comptroller Glenn Hegar

For the past few months, I've been traveling across the state, meeting with Texans from all over, talking about our economy — and doing quite a bit of listening, too.

I've found that Texans are very interested in the state economy, and a little worried about the tumultuous times in which we live. Their questions — How are we doing? And where are we headed? — are basically pretty simple, even if the answers aren't.

Supplying those answers is my job, of course. As Texas' chief financial officer, I'm charged with managing the state's finances and monitoring the economy to make sure our revenues stay strong. Our economists and researchers have to keep their eyes fixed on the road ahead, staying abreast of trends and events that could affect our economy and the tax revenues it generates.

Despite a slowdown caused by slumping energy prices, I'm happy to report that the Texas economy is doing well — particularly in comparison to most other states, many of which are still mired in one of the weakest recoveries on record.

In Texas, we added 319,000 nonfarm jobs in fiscal 2015, more than any other state except California. Our unemployment rate has fallen from an average of 5.3 percent in fiscal 2014 to just 4.4 percent in 2015, well below that of the U.S.

Our state's diverse economy puts us in a good place. For example, cotton — growing, harvesting and manufacturing — is an important part of Texas' economic growth. In 2014, cotton contributed more than \$1.75 billion to the economy. In the year we just ended, Texas was the leading cotton-producing U.S. state, with nearly a quarter of the country's entire crop grown in Texas soil.

Texas harvests more than 4.6 million acres and about 5.8 million bales of cotton a year. Just one of these bales can produce 215 pairs of jeans, 249 bed sheets or 1,217 men's t-shirts. We couldn't dress for work or tuck our kids into bed without the goods you produce.

There's no question that our growth will be more moderate than it was during the shale rush. We expect employment growth to drop into lower gear, at less than 2 percent, but the unemployment rate should remain steady, at about half of what it was during the Great Recession.

In the next two years, we expect the growth in Texas' real gross state product (GSP) and personal income to track U.S. growth rates pretty closely. Our GSP grew by 2.4 percent in 2015 and should do about the same in fiscal 2016 and 2017. Texas personal income rose about 4.8 percent in 2015, and we estimate similar growth rates over the next two years.

As for state revenues, tax collections in the 2016-17 biennium should generate more than \$93.1 billion, about 1.5 percent more than in the previous budget period. Our most recent budget was well below the state's spending caps, and we

anticipate no problem in meeting our obligations over the next two years.

As the state's chief financial officer, I'll continue to monitor the Texas economy closely, and inform you of any significant changes. As always, you can stay up to date via our website, Twitter and Facebook accounts.

Glenn Hegar is Texas Comptroller of Public Accounts. For more information on the Texas economy, please visit the Comptroller's website at <http://comptroller.texas.gov>.

TALL Program Seeks Applicants for Class XV

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From AgriLife TODAY

The Texas Agricultural Lifetime Leadership Program is seeking applicants for its new class, which will begin in July 2016.

TALL is a two-year leadership development program managed by the Texas A&M AgriLife Extension Service. Applications for the new class, Class XV, are due March 15. The application forms are online at <http://tall.tamu.edu>.

"The agriculture industry constantly faces new and unique challenges, and there is a need for individuals who have leadership potential to serve in decision-making positions. TALL graduates provide a new pool of proven leaders that can provide the leadership, insight, knowledge and direction to ensure that agriculture is viable in the future," said Dr. Jim Mazurkiewicz, AgriLife Extension leadership program director.

The program invests 455 hours of intensive training per person in seminars, speakers and domestic and international study trips over two years, Mazurkiewicz added. It is equivalent to the time spent obtaining a master's degree in agriculture. The typical class size is about 26, and tuition is \$3,000.

"The mission of the program is to create a cadre of Texas leaders to ensure effective understanding and encourage positive action on key issues, theories, policy and economics that will advance the agriculture industry," Mazurkiewicz said.

Participants include traditional crop producers, ranchers, bankers and attorneys, as well as those who work in lumber, food processing, agricultural corporations and horticultural industries, he said.

Want the facts about the U.S. agriculture and farm policy?

<http://www.farmpolicyfacts.org>

Upcoming Area Ag Conferences

January 29 — Llano Estacado Cotton Conference, Bailey County Electric Cooperative, Muleshoe. 4 CEUs. Contact Curtis Preston, CEA-AG, 806-272-4583.

February 9 — Hale/Swisher County Crops Conference, 8 a.m.-4 p.m., Ollie Liner Center, Plainview. 5 CEUs. Contact Jason Miller, Hale CEA-AG, at 806-291-5267 or John Villalba, Swisher CEA-AG, at 806-995-3721.

This list also can be found on the PCG website at <http://www.plainscotton.org/agconferences.html>.