

2016 Upland Cotton Loan Chart Now Available

Friday, April 22, 2016

By Shawn Wade

The United States Department of Agriculture Farm Service Agency released the 2016-crop Upland Cotton Loan Premium and Discount tables on April 15. The new charts reflect the unique market environment into which much of the previous year's crop was sold. A general lowering of premiums for Staple 34 and longer cotton with Leaf grades 1-4 as well as lower discounts for Leaf grades 5-7 highlighted the changes.

The end result for producers in 2016 is that low-leaf, high-grade cotton with Color grades 11, 21 and 31 and Leaf Grades 1-3 will have slightly lower loan values compared to the previous year, while higher leaf cotton will see increased values.

Although not severe, virtually all of the declines occurred in the 20 or so Color/Leaf/Staple combinations that are typically the most coveted by the market and the improvements were in quality combinations that were slightly more prevalent in 2015.

Shorter staple cotton with Leaf grades 4 and lower in the 11, 21 and 31 Color grades will see minimal change in 2016 compared to the previous year.

Changes in the 2016 premium and discount tables for Bark and Extraneous matter, Micronaire, Strength, and Length Uniformity were mixed with higher value measurements seeing little to no change, while lower value measurements in these categories will be penalized less in 2016 due to discounts getting smaller by 5-30 points. One exception to the trend is Level One Bark in the Texas, New Mexico, Oklahoma region that will garner a slightly higher discount in 2016.

Highlights from this section include: a continuation of the trend toward lower discounts for Strength readings below 26; lower discounts for Micronaire readings above 4.9 and higher discounts for Micronaire readings below 3.5; and static premium and discount values for all Length Uniformity readings.

The table below provides comparisons between 2015 and 2016 loan values for White Grades 11-41 and Light Spot grades 12-42, Staple 34 through 38 and higher.

Complete 2016 Loan Premium and Discount tables and loan charts with calculated values based on the 2016 schedule of premiums and discounts will be posted on the Plains Cotton Growers website at: <http://www.plainscotton.org>.

COMPARISON OF LOAN PREMIUMS AND DISCOUNTS FOR SELECTED GRADE, STAPLE LENGTH, AND LEAF CONTENT COMBINATIONS OF 2016-CROP AMERICAN UPLAND COTTON

Base Loan Rate: U.S. = 52.00 ¢/pound

Color	Staple Leaf	34			35			36			37			38+		
		2015 Loan	2016 Loan	Change	2015 Loan	2016 Loan	Change	2015 Loan	2016 Loan	Change	2015 Loan	2016 Loan	Change	2015 Loan	2016 Loan	Change
SM & better 11 & 21	Leaf 1-2	160	145	-15	405	375	-30	510	490	-20	535	525	-10	545	535	-10
	3	140	120	-20	345	315	-30	445	415	-30	465	450	-15	480	465	-15
	4	80	70	-10	220	220	0	305	310	5	315	325	10	325	330	5
	5	-60	-65	-5	135	135	0	185	190	5	195	200	5	195	200	5
	6	-285	-280	5	-215	-205	10	-195	-185	10	-195	-185	10	-195	-185	10
7	-420	-385	35	-360	-320	40	-340	-300	40	-335	-300	35	-335	-300	35	
MID 31	Leaf 1-2	120	105	-15	345	320	-25	470	440	-30	475	460	-15	490	470	-20
	3	110	95	-15	320	290	-30	415	395	-20	425	410	-15	440	425	-15
	4	60	50	-10	190	175	-15	265	250	-15	275	270	-5	280	280	0
	5	-115	-115	0	80	80	0	130	130	0	140	140	0	140	140	0
	6	-300	-295	5	-250	-240	10	-225	-215	10	-220	-210	10	-220	-210	10
7	-430	-390	40	-385	-350	35	-365	-325	40	-360	-320	40	-360	-320	40	
SLM 41	Leaf 1-3	40	45	5	170	170	0	245	260	15	250	270	20	265	280	15
	4	Base	Base	Base	110	115	5	195	210	15	200	220	20	210	230	20
	5	-200	-195	5	-105	-90	15	-40	-20	20	-40	-20	20	-40	-20	20
	6	-385	-375	10	-320	-305	15	-290	-275	15	-290	-275	15	-290	-275	15
	7	-530	-495	35	-470	-425	45	-455	-410	45	-455	-410	45	-455	-410	45
SM & better 12 & 22	Leaf 1-2	80	80	0	210	230	20	305	335	30	310	340	30	315	350	35
	3	60	65	5	175	190	15	265	295	30	270	305	35	280	315	35
	4	-30	-40	-10	115	125	10	210	240	30	215	245	30	220	255	35
	5	-230	-235	-5	-115	-105	10	-85	-75	10	-80	-70	10	-80	-70	10
	6	-425	-430	-5	-365	-350	15	-355	-335	20	-350	-330	20	-350	-330	20
7	-560	-535	25	-505	-470	35	-490	-455	35	-490	-450	40	-490	-450	40	
MID 32	Leaf 1-2	-30	-35	-5	30	35	5	90	95	5	90	95	5	95	100	5
	3	-55	-60	-5	10	5	-5	75	80	5	75	80	5	80	85	5
	4	-150	-155	-5	-65	-65	0	-10	5	15	-10	5	15	-10	5	15
	5	-310	-310	0	-245	-240	5	-215	-210	5	-215	-210	5	-215	-210	5
	6	-475	-475	0	-430	-425	5	-415	-410	5	-415	-410	5	-415	-410	5
7	-610	-585	25	-565	-530	35	-550	-520	30	-550	-520	30	-550	-520	30	
SLM 42	Leaf 1-3	-165	-170	-5	-80	-80	0	-20	-15	5	-20	-15	5	-20	-15	5
	4	-205	-205	0	-135	-135	0	-80	-70	10	-80	-70	10	-80	-70	10
	5	-370	-370	0	-290	-285	5	-275	-270	5	-275	-270	5	-275	-270	5
	6	-510	-505	5	-465	-455	10	-450	-445	5	-450	-445	5	-450	-445	5
	7	-660	-635	25	-605	-570	35	-595	-565	30	-595	-565	30	-595	-565	30

American Cotton Producers Get Updates on Issues Confronting Cotton

Wednesday, April 20, 2016 By Forrest Laws, Delta Farm Press

Shane Stephens says the first few weeks of his tenure since he was elected chairman of the National Cotton Council at its annual meeting in Dallas in February have been quite busy.

Anyone familiar with the Council's activities knows that's an understatement given the economic climate the U.S. cotton industry is facing due to low cotton prices, high input costs and legislative, regulatory and trade issues in Washington and overseas.

"The Council has been very active on numerous fronts," said Stephens, speaking at the spring meeting of the American Cotton Producers in Birmingham, Ala. "Our primary focus has been on successfully addressing the economic challenges that face our industry.

"With the 2015 cotton acreage being the lowest in more than 30 years; exports being the smallest in 15 years; and prices being as low as they've been since the 2009 recession the industry has concentrated its efforts on USDA, seeking secretarial designation of cottonseed as another oilseed for eligibility under the 2014 farm bill ARC and PLC programs."

Stephens said the industry built a broad base of support within Congress and also generated support for the program within the agricultural lending community and other commodity groups. Industry leaders also helped place more than 60 "op-ed" articles in newspapers across the country.

"While those efforts have not yet produced the results we want, we knew this was likely to be a challenging and drawn out effort," he said. "As a result, we are continuing to demonstrate the financial need that exists in the countryside and are working closely with House Agriculture Committee Chairman Mike Conaway, House Agriculture Appropriations Subcommittee Chairman Robert Aderholt, Senate Appropriations Committee Chairman Thad Cochran, Senate Agriculture Appropriations Subcommittee Chairman Jerry Moran and other friends in Congress to seek this designation."

Cotton Council leaders have also been seeking short-term assistance in meetings with Agriculture Secretary Tom Vilsack and his staff.

Stephens was one of a long list of speakers who addressed the American Cotton Producers, the organization that represents the Council's producer segment, on a broad range of issues which some believe are among the most challenging to ever confront the cotton industry.

Despite those challenges, the state and regional producer representatives attending the meeting said they expect cotton plantings to be up in the areas in 2016. Only the Southeast, which faced drought and flood conditions at different times in 2015, indicated an acreage decline.

The Mid-South or Delta states are expected to see the largest percentage increases, according to their representatives. Arkansas is expected to be up 57 percent from 210,000 acres in 2015 to 330,000 in 2016; Louisiana, up 30 percent from 115,000 to 150,000; Mississippi, up 40 percent from 320,000 to 450,000; and Tennessee, up 30 percent to 245,000. (Missouri did not have a representative at the meeting.)

South Texas is expected to reach 700,000 as prevented planted acres from last year return to cotton; the Rolling Plains is expected to plant 1.25 million and the High Plains could seed between 3.5 million and 3.8 million acres, according to Texas representatives.

In the Far West, Arizona could plant 135,000; California, 206,000; and New Mexico 41,000. Arizona and California's acreage would be up while New Mexico's would be almost even with last year's.

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NCC Announces 2016-17 Emerging Leaders

Thursday, April 21, 2016 From the National Cotton Council

Twelve U.S. cotton industry members have been chosen to participate in the National Cotton Council's (NCC) Emerging Leaders Program for 2016-17.

Participants, by industry segment, include: PRODUCERS - Brian Adamek, El Campo, Texas; Andrew Clark, Clovis, Calif.; Scott Flowers, Clarksdale, Miss.; Nick McMichen, Centre, Ala.; Steven Meeks, Screven, Ga.; Russ Ratcliff, St. Joseph, La.; Jerry Rovey, Buckeye, Ariz.; and Rich Vinson, Sikeston, Mo.; GINNER - Wes Morgan, New London, N.C.; COTTONSEED - Jerrod Drinnon, Lubbock, Texas; WAREHOUSER - Kent Ballard, Lubbock, Texas; and MARKETING COOPERATIVE - David Mullins, Rotan, Texas.

Since being initiated in 2013, the Emerging Leaders Program has been supported by a grant to The Cotton Foundation from Monsanto.

Overall, the Emerging Leaders Program provides participants a better understanding of how the NCC carries out its mission of ensuring the U.S. cotton industry's seven segments can compete effectively and profitably in the raw cotton, oilseed and U.S.-manufactured product markets at home and abroad.

Specifically, participants get an in-depth look at: 1) the U.S. cotton industry infrastructure and the issues affecting the industry's economic well-being; 2) the U.S. political process; 3) the NCC's programs and its policy development and implementation process, and 4) Cotton Council International's activities aimed at developing and maintaining export markets for U.S. cotton, manufactured cotton products and cottonseed products.

Class members will participate in three sessions. The first, set for the week of June 12 in Memphis and St. Louis, will provide an orientation to the NCC, professional development/communication skills training and an agribusiness briefing. During the second session in February, class members will see policy development at the NCC's 2017 Annual Meeting in Dallas while the third session in Washington, D.C., will focus on policy implementation and international market development.

Editor's Note:

"Cotton News", a weekly service of Plains Cotton Growers to the cotton industry and news media in the 41-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 us all. Anyone interested in making comments about the contents of this column can call 806-792-4904 or Email PCG at: editor@plainscotton.org