



COTTON NEWS

A Service of Plains Cotton Growers Inc.



PCCP PARTICIPATION INCREASES NUMBER OF COVER CROP ACRES



The U.S. Department of Agriculture (USDA) Risk Management Agency has now concluded sign-up for the 2022 Pandemic Cover Crop Program (PCCP). The program provides premium support to producers utilizing cover crops in their production systems. Since its original enactment in 2021, PCCP has vastly increased the number of cover crops now being grown and/or reported to the USDA Farm Service Agency (FSA).

Prior to PCCP’s development, U.S. farmers on average reported 2 to 3 million acres of cover crops annually. In 2021, over 14 million

acres of cover crops were reported to the USDA FSA.

In 2021, the PCCP program provided \$59.5 million in support to eligible farmers across the U.S., of which Texas presumably received \$6.2 million — the Plains Cotton Growers region received \$5.1 million of the total amount.

While it is recognized that not every region in the U.S. can produce a cover crop based on various agronomic conditions, weather patterns and other factors, PCCP has certainly proven to be a successful program for farmers that have an interest in cover crop systems.



Your Story Matters

We moved to Dickens County when I was five years old. I still remember looking out the window of my grandparent’s house watching my mother run around in the rain directing the truck on where to park our trailer house. “The Farm,” as we called it, houses magical memories from my childhood. I know I’m not the only one.

I’m not the only one who learned to drive way before I should have. Who woke up early to feed animals before school and stayed up late to do the same. Who rode in the tractor as my dad plowed until dark. My story is important to me, but your story is important to the world.

You are the face of agriculture. The ones responsible for the clothes we wear. We need you. And most people don’t realize just how much.

I’m starting a new series of stories titled, “Faces of Cotton.” To participate, visit: plainscotton.org/story-submission.

Acres Reported as Cover Crops

2021 (PCCP eligible acres)

1,027,881

2020 (PCCP not yet established)

395,605

cover crop acres reported in the region represented by PCG.



Rising Rates

The Federal Reserve slashed interest rates during the pandemic in an effort to boost the economy. Now, two years after the initial COVID-19 outbreak, the Fed is raising the rates to compete with increasing inflation — which is the highest its been since 1982. With hopes of curbing inflation, the Fed is increasing the benchmark interest rate to 0.25%. It's likely they won't stop there as experts estimate there could be as many as six more interest increases this year.



"We worry more about deflation."

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Plains Cotton Growers

Prices Continue to Seesaw Adding to Frustration

Price is always an important part of the equation. A good year production-wise can be offset by low price. And, also by higher than expected costs.

Costs for 2022 will be extremely high. Also, farmers will be doing what they can to trim inputs and costs in hopes that yield can still be maintained. Weather is a concern as usual but input management now creates a degree of added uncertainty.

PLAINS COTTON GROWERS
65th ANNUAL MEETING
APRIL 1, 2022
LUBBOCK MEMORIAL CIVIC CENTER
plainscotton.org/pcg-annual-meeting-2022

A high price is needed for 2022 production. Pricing low can be costly financially. But in markets, we don't know what's low and what's high until after the fact. Case in point, some growers priced a portion of expected 2021 production at 85 to 95 cents and felt good about it — then watched the price go to \$1.20.

Growers are reluctant to jump in too early this year for fear of making that mistake again. They know price is going to be especially important because any profit margin is going to be slim.

New crop December futures has thus far made a run to \$1.06 before retreating back to the \$1.00 area. December presently stands at about \$1.02. Some producers have already priced a portion of expected 2022 production. I sense those who have not are waiting on another run and, if already priced, are uncomfortable doing more.

*Don Shurley, University of Georgia Economist
(Story originally published on AgFax.)*

House Ag Committee
2022 Farm Bill Review

In Case You Missed It

Scan QR codes with phone camera to view content.



bit.ly/364EC8V

No Tax Penalty if Farmers
File and Pay by April 18



bit.ly/3COVhJz

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