



The University of Georgia

Cooperative Extension Service

College of Agricultural and Environmental Sciences



Georgia Cotton

October 6, 2003

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Crop Situation at Early Harvest. (*Brown*) As of October 1, just over 10 percent of the 2003 Georgia cotton crop had been harvested. USDA is projecting a state average of 733 lb/A. Optimism exists that the final numbers will significantly eclipse that mark.

The last 3 weeks have been almost ideal for harvest, and the early quality data reflect that. Of the 61,200 bales classed as of October 2, 93 percent had Color Grade 41 or better. Other quality numbers were also encouraging: only 2 percent of the bales were high mic (greater than 4.9) and 15 percent were short staple (less than 34/32nds).

Dry weather has pushed the crop along. Much of it is ready to defoliate. Harvest aid treatments have provided very effective leaf removal, and regrowth pressure has been minimal. The biggest challenge has been opening bolls probably because of (1) a sizable top crop in many fields and (2) unseasonably cool temperatures. Ethephon rates have been routinely increased to at least 1.5 to 2.0 pts/A.

Other Defoliation Considerations. (*Jost and Tyson*) As mentioned above the biggest challenge is opening bolls as leaves are relatively easy to remove from this years crop. The situation may change on later planted cotton where there is still a lush canopy and bolls struggling to mature. Continued warm weather would be welcome on these fields.

Defoliation trials thus far this year are showing that almost all combinations are providing excellent leaf removal. Weed desiccation, especially morningglory, is a concern in some situations. The results from a replicated trial in Effingham county are shown below. All treatments resulted in excellent defoliation. As the data demonstrates, both ET and Aim were extremely effective in desiccating morningglories. Generally, the concern with using these types of materials revolves around leaf-sticking. However, with a crop consisting mainly of mature leaves with limited juvenile growth, leaf-sticking is much less likely to occur.

Chemical	rate	% Morningglory Desiccation	
		5 DAT	10 DAT
Ginstar Finish	4 oz/A 1.33 pt/A	10.0 c	36.7 c
Ginstar Finish Gramoxone	4 oz/A 1.33 pt/A 1.5 oz/A	8.3 c	38.3 c
Aim Prep COC	1 oz/A 1.33 pt/A 1 pt/A	88.3 a	100.0 a
Harvade Prep COC	8 oz/A 1.33 pt/A 1 pt/A	58.3 b	61.7 b
ET Prep COC	1.4 oz/A 1.33 pt/A 1 pt/A	95.0 a	100.0 a
	<i>Pr>f</i>	<i>0.0001</i>	<i>0.0002</i>

Higher Prices And Lower Payments-- What Will Be The Result? (*Shurley*) It is expected that prices for the 2003 cotton crop will be the best in several years. The total picture, however, must include both price received and government support payments. For the 2001 and 2002 cotton crops, rather large Loan Deficiency Payments (LDP or POP) buffered the grower from low prices (or a Marketing Loan Gain (MLG) was realized if cotton was marketed through the loan program). For 2003, prices will likely be high enough to reduce the LDP to zero. Higher prices will also reduce any possible Counter Cyclical Payment.

The table below illustrates the relationship between market prices, payments, and total receipts. A November cash sale is used simply as an example. 2003 prices have strengthened and could be 15 cents or more better than 2002. Cash Price + LDP is expected to be higher for the 2003 crop but because the LDP will likely be zero or near zero, producers will realize a smaller than expected gain. In terms of DP and CCP payments, producers may be worse off than last year because the CCP will likely decline significantly if prices remain high during the November-January period. Total cash price + LDP + payments could be lower than last year.

Example Comparison of Prices and Payments, 2000-2003 Cotton

	2000	2001	2002	2003
November Average Cash Price	62.16	31.23	44.98	65.00 ^a
November Average LDP	2.55	28.63	13.40	0.00
Cash Price + LDP	64.71	59.86	58.38	65.00
AMTA or DP	7.33 ^c	5.99 ^c	6.67	6.67
CCP	N/A	N/A	13.73	0.73 ^b
Cash Price + LDP + Payments	72.04	65.85	78.78	72.40

SOURCES: USDA/AMS and USDA/FSA

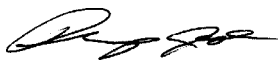
a/ Approximate price of December futures on 10/03/03 (68 cents/lb) minus 3 cents basis. At this price, if it were to be the average price for November, the November average LDP would be zero based on the current relationship between New York futures and the A-Index (A-Index is currently about 200 points (2 cents) under futures; AWP = A-Index minus 13.4 cents; LDP = Loan rate (52 cents) minus the AWP if the AWP is less than the loan rate).

b/ CCP assumes the Marketing Year Average (MYA) Price equals the November average price. If the actual 2003 MYA is higher, CCP will be lower and vice-versa. $CCP = 72.4 \text{ cents Target Price} - 6.67 \text{ DP} - \text{the higher of the MYA or the Loan rate}$. CCP = zero when MYA is 65.73 cents per lb or greater. CCP is maximum of 13.73 cents if MYA is less than the Loan rate. 2002 crop MYA was 45.95 cents/lb. The MYA is a “weighted average” price and is impacted most by prices during the November-January period.

c/ Excludes additional (double) AMTA payment received under market assistance program. AMTA/DP and CCP are received at the payment yield level on 85% of base acres.

But overall producers may still end up better off – when you consider yields and quality. Higher yields this year and less irrigation on irrigated acres should result in much lower cost of production per pound. If grades are better than last year (early data from the Macon Classing Office has been encouraging), then price deductions for quality will be less.

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