

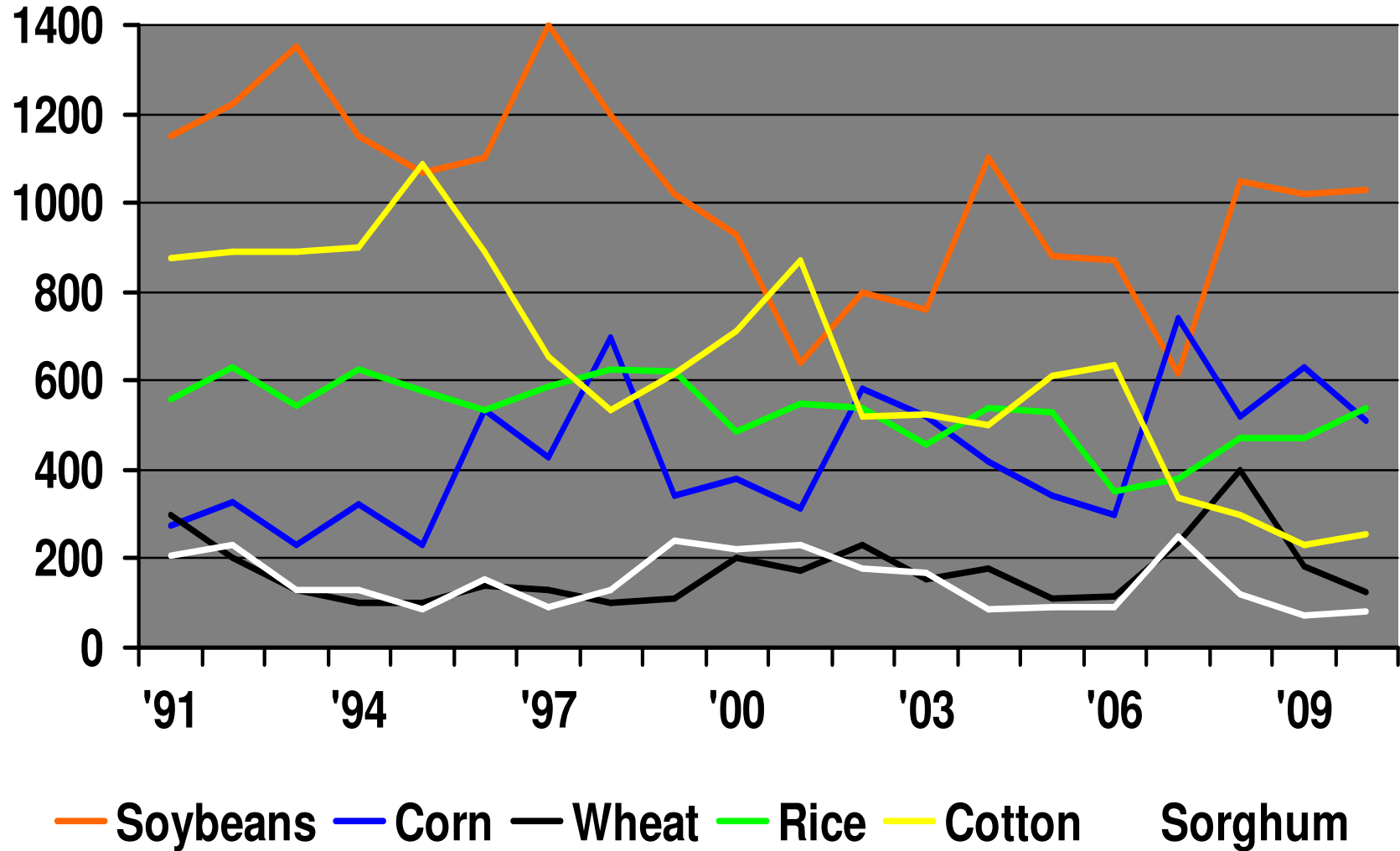
Adapting to the Decline in Cotton Acreage

From the perspective of the
Louisiana Cotton Producers
Association

Louisiana Agricultural Technology
& Management Conference
February 2011

Louisiana Planted Area

1,000 Acres

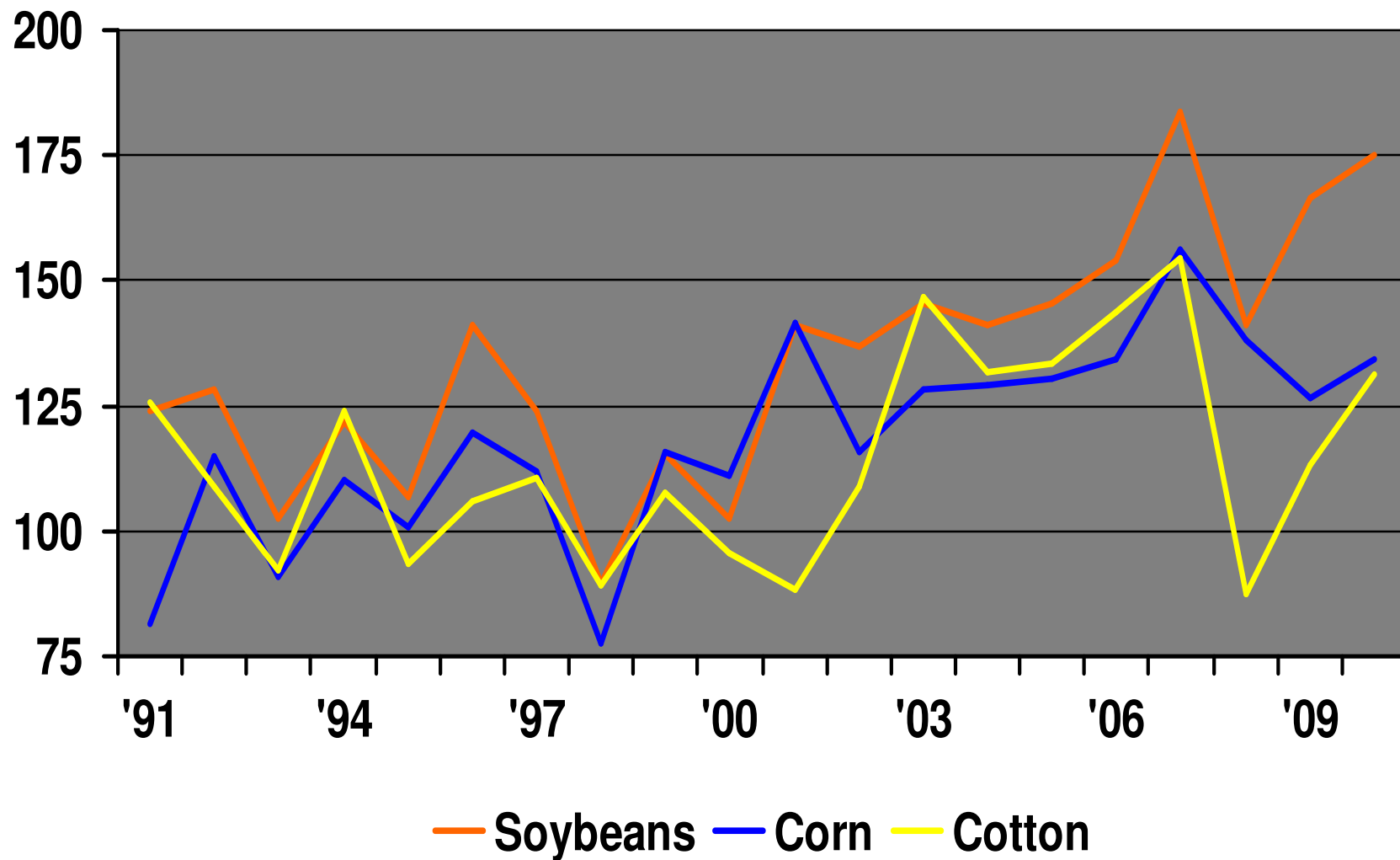


Reasons for Cotton Acreage Decline

- Yield vs competing crops
- Prices vs competing crops
- Cost of production & management intensity
- Credit availability

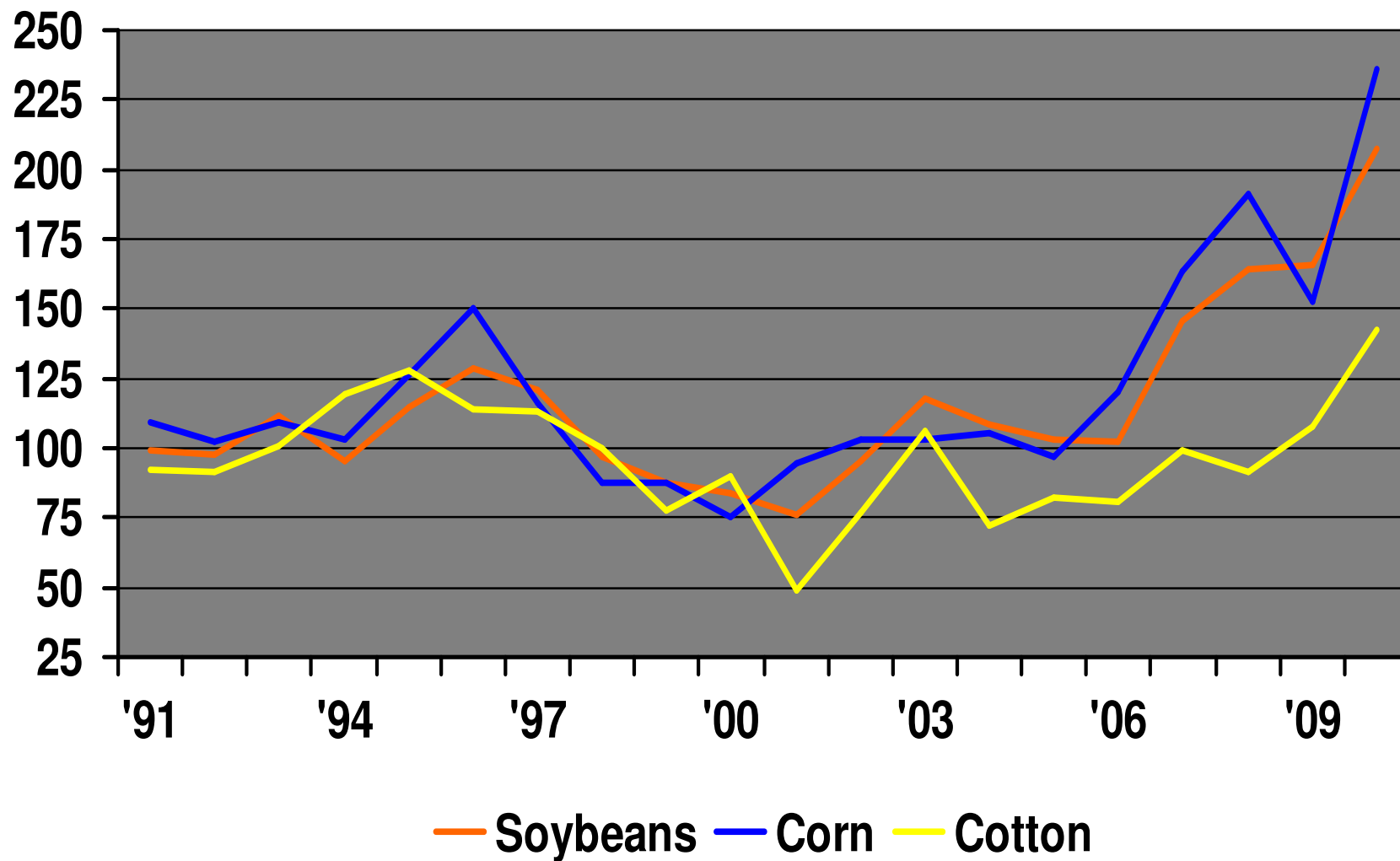
Louisiana Crop Yield Index

1985-89 average = 100



Louisiana Crop Price Index

1985-89 average = 100



Cost of Production & Management Intensity

Fertilizer

Seed

Insect control

Harvest

Credit Availability

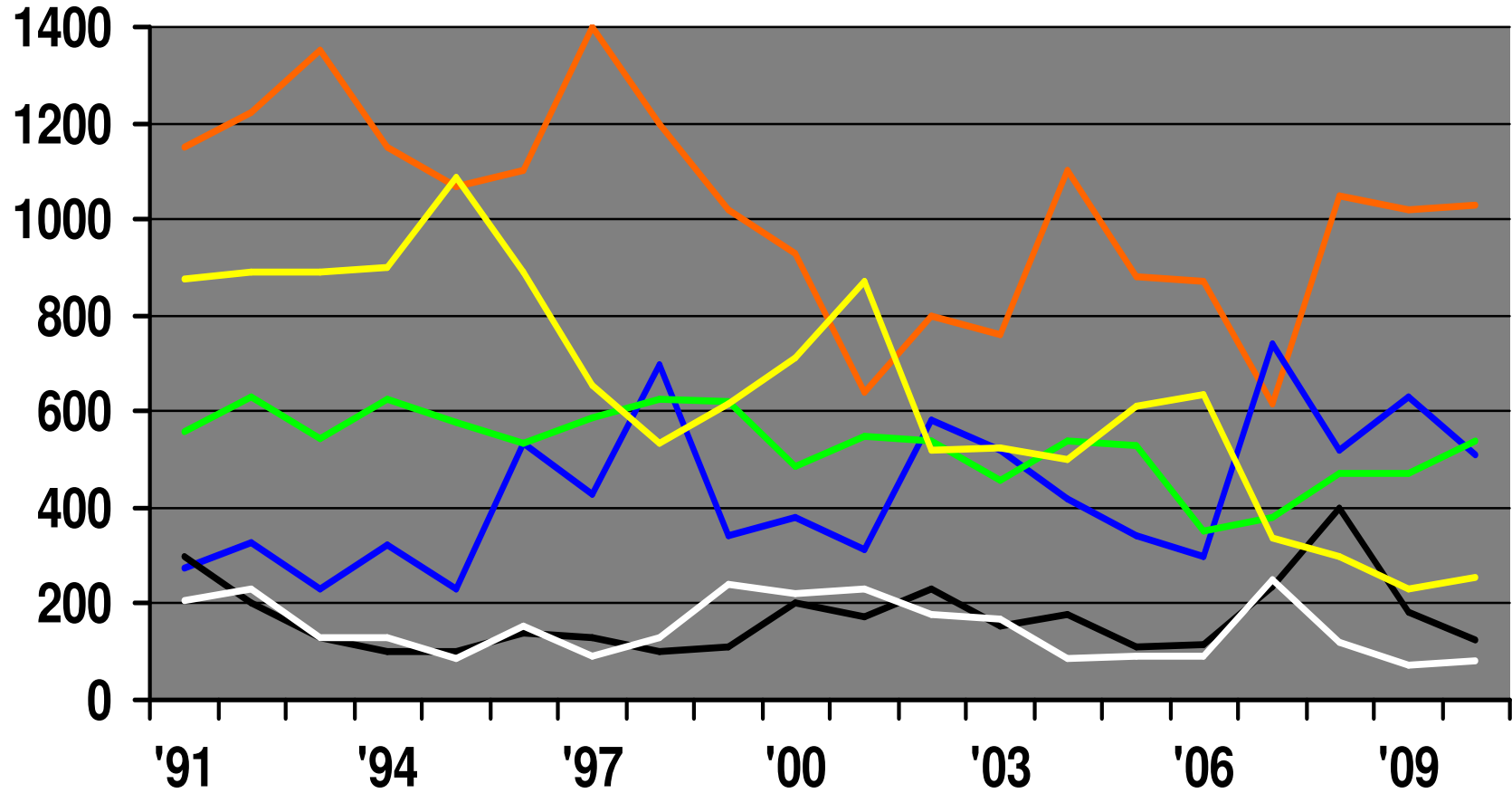
Crop losses 2008 and 2009 tightened farm finances

Declining U.S./world economy and housing market caused credit crises

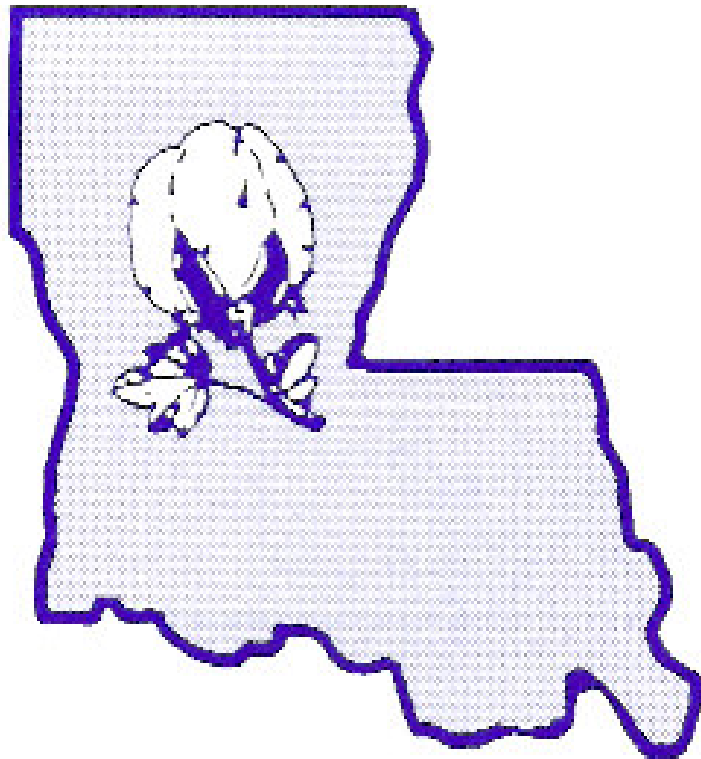
Federal reserve increased reserve requirements

Louisiana Planted Area

1,000 Acres

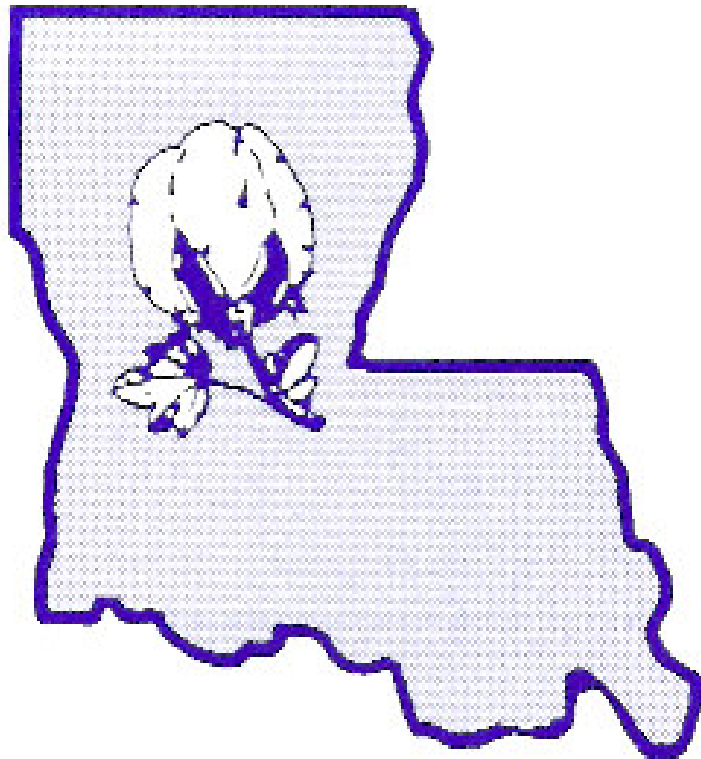


— Soybeans — Corn — Wheat — Rice — Cotton — Sorghum



Current Louisiana Cotton Producers Association membership were largely the ones who had switched to competing crops and our cotton warehouses were storing grain.

How was organization going to maintain membership and provide representation?

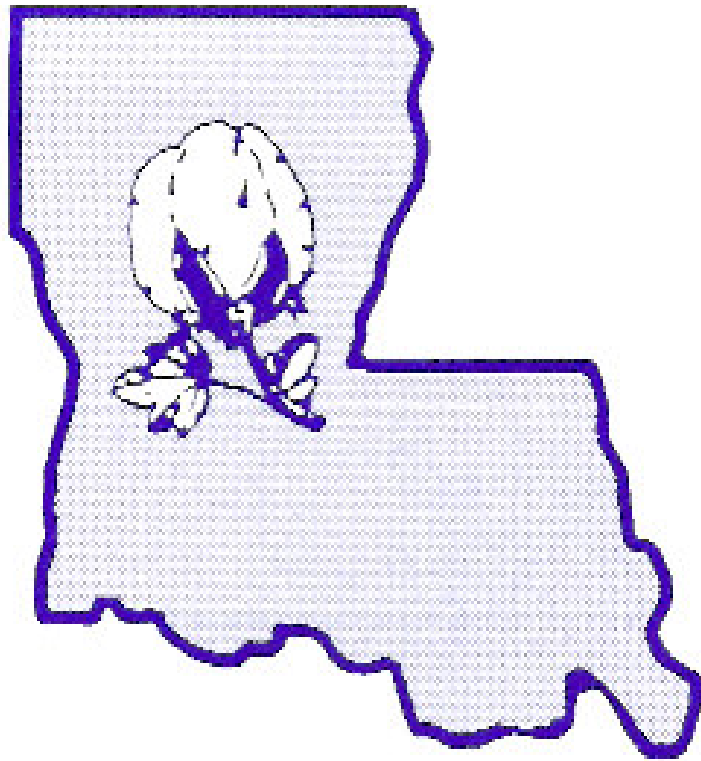


Louisiana Cotton
Producers Association

Changes name to

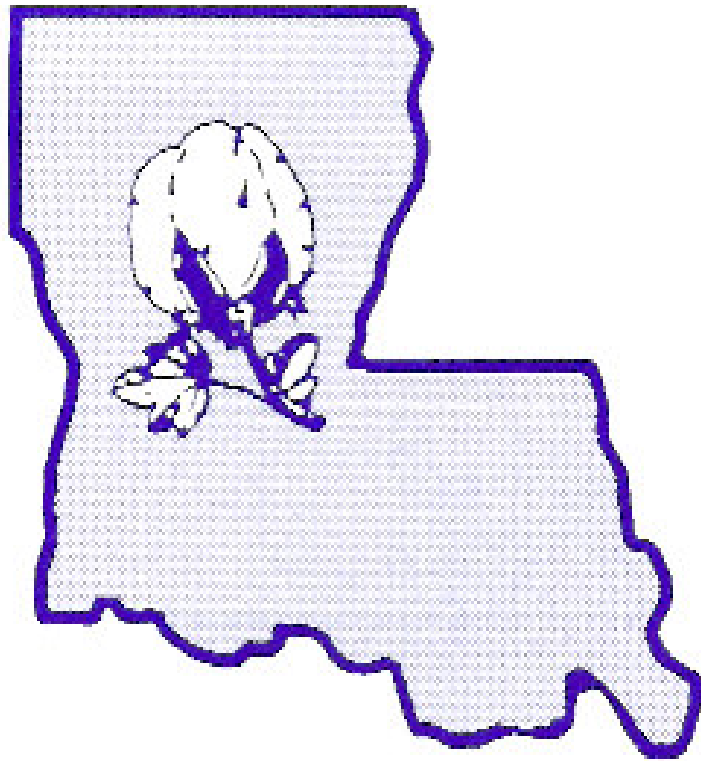
Louisiana Cotton &
Grain Association

in 2009



Remain active in cotton
issues

Gain voice in
corn
sorghum
soybean
issues

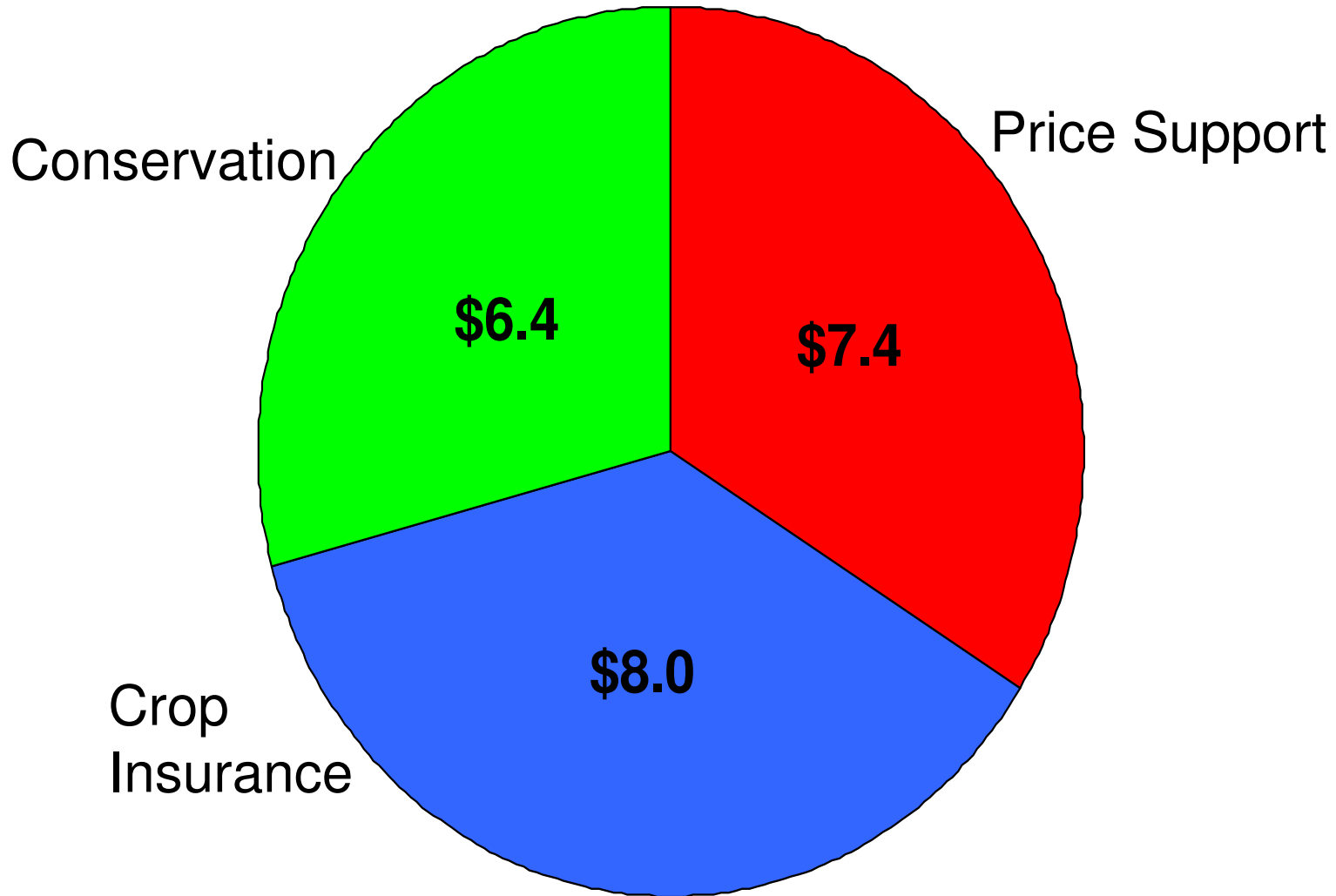


Many issues the same
across crops

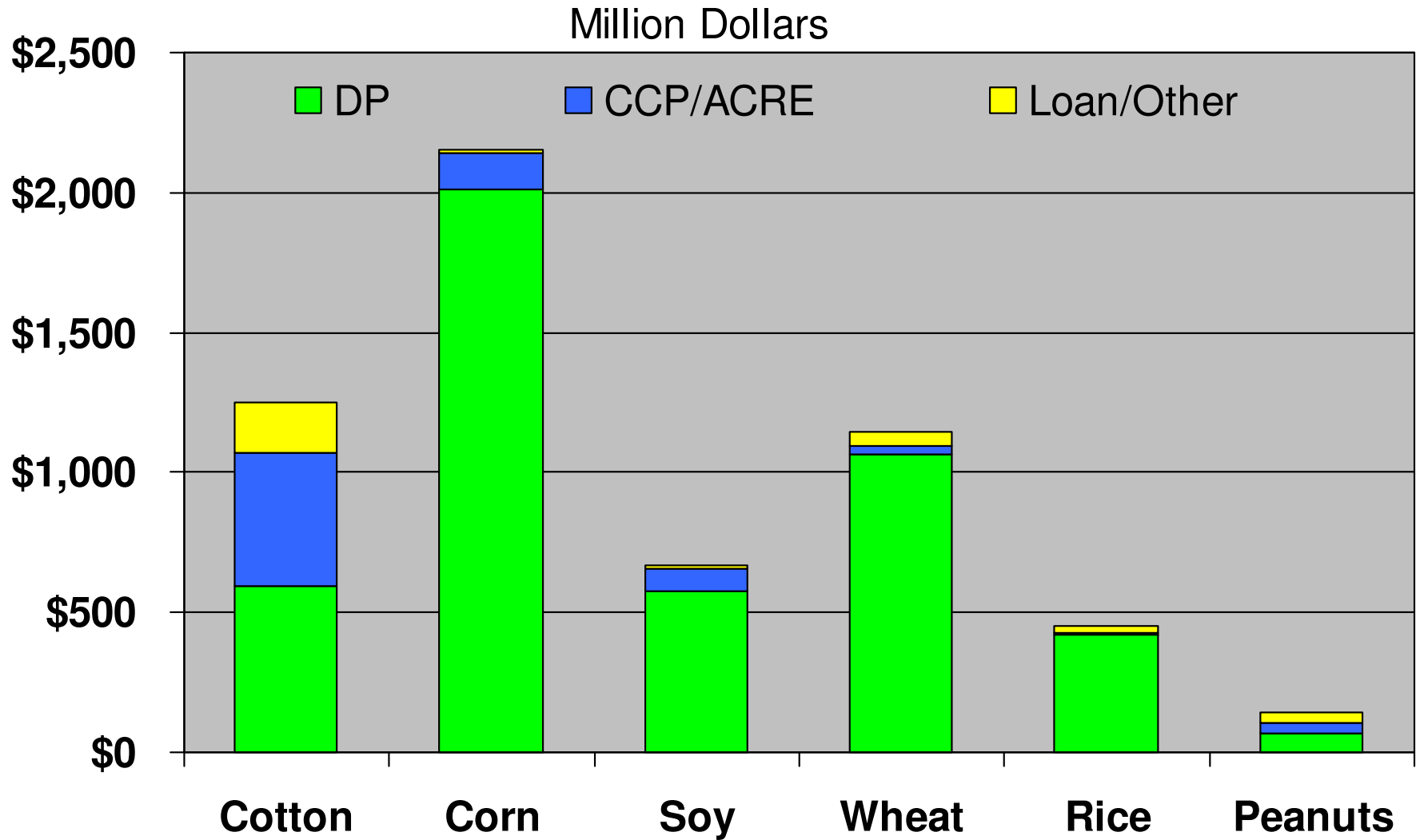
Little conflict until
debate on farm
program supports

CBO's Ag Baseline Spending

Billion Dollars



CBO's Commodity Spending



U.S. Crop Base vs '10 Planted

	Base	Planted	Under-planted	Planted as % of Base
Cotton	17,634,389	10,829,000	6,805,389	61%
Corn	83,449,412	88,222,000	-4,722,588	106%
Soybeans	49,902,762	77,714,000	-27,811,238	156%
Wheat	72,110,610	53,603,000	18,507,610	74%
Rice	4,271,231	3,642,000	629,231	85%
Sorghum	11,514,658	5,402,000	6,612,658	47%
Barley	8,256,555	2,872,000	4,312,888	35%
Oats	2,945,993	3,138,000	-192,007	107%
Peanuts	1,437,741	1,290,000	147,741	90%
9 Crops	251,523,350	246,712,000	4,811,350	98%

U.S. Cotton Base vs '10 Planted

	Base	Planted	Under-planted	Planted as % of Base
AL	676,588	345,000	331,588	51%
AZ	416,915	195,000	221,915	47%
AR	1,148,408	545,000	603,408	47%
CA	895,931	124,000	771,931	14%
FL	108,166	92,000	16,166	85%
GA	1,416,566	1,330,000	86,566	94%
KS	18,824	51,000	-32,176	271%
LA	1,040,976	255,000	785,976	24%
MS	1,502,115	425,000	1,077,115	28%
MO	429,639	315,000	114,639	73%
NM	103,298	47,000	56,298	45%
NC	863,462	550,000	313,462	64%
OK	592,514	280,000	312,514	47%
SC	343,662	202,000	141,662	59%
TN	744,971	390,000	354,971	52%
TX	7,230,999	5,600,000	1,630,999	77%
VA	101,231	83,000	18,231	82%
US	17,634,389	10,829,000	6,805,389	61%

Farm Bill Issues

- BUDGET
- Direct and Counter-Cyclical Payments
- Marketing Loan
- Crop Insurance
- Revenue Assistance
- Conservation
- Other

Association Challenge

- Gain voice for membership in various commodity/industry organizations
- Work to develop and support programs that maintain farm income and keep members in business