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WILL COTTON BE KING AGAIN IN THE SOUTHEAST?

Marshall W. Grant

Things change about as fast in agriculture these days as in electronics and communications, especially with cotton. It seems every year there are genetically engineered changes that give us new varieties to meet the needs of protecting our crop and reducing our risk in production.

These changes give us opportunities to grow cotton on soils where cotton production was not practical in the past, like the high organic soils of eastern North Carolina and Virginia. Gene altering has given us cotton that is resistant to many worms which are very troublesome, and cotton which is tolerant to herbicides such as Roundup and Buctrel that control very troublesome weeds for us. As this technology is combined with more productive varieties, it will allow us to produce crops where it was not practical before.

Two things have happened in recent years that have had a dramatic impact on Southeast cotton production.

The first, and I think most important, thing to happen to cotton in the last 100 years is "Boll Weevil Eradication." This program began in North Carolina in 1978 and has reduced our cost of production by about \$70 per acre. This, of course, made cotton more attractive when compared to other crops. In North Carolina, this led to a dramatic change in cotton acreage. The acreage produced in 1978 was about 42,000 acres and trending down. The acreage in 1995 was in excess of 800,000 acres. This dramatic change is taking place in other states as the boll weevil eradication program moves across the South.

Alabama is now in the late stage of eradication. The six states in the Southeast region have gone from about 500,000 acres before eradication to about 3,500,000 acres in 1995. All indications at this point are that this acreage is permanent, in that the very expensive cost of the changes has happened; for example, the investment in cotton pickers and cotton gins has been made to the tune of an estimated \$500 million or more. Add to this the income per year from over 3 million bales of cotton, and the economy of the Southeast has to be improved. Without boll weevils we can also use longer season varieties of cotton, which means better qualities of cotton. Mills now rate Southeastern cotton quality at or above the Mid-South grown cotton. It's even good enough to replace some Western grown qualities.

The second thing that has been very positive for cotton is our decision to invest in a self-help research and promotion program which is operated through Cotton Incorporated. This has proven to be a very valuable program for cotton. We growers are very sure that our research and

promotion funds have been the reason for cotton regaining a major share of the fiber market in this country. Our share had dropped to about 30 percent of the U.S. fiber market. Today, it is above 50 percent and still growing. Our trademark is now in the top 5 percent in the U.S. consumer market as among the most recognizable.

Again, these two very innovative efforts by cotton growers have made cotton more competitive, especially in the Southeast.

Other factors are important to our long term future of U.S. cotton, such as the shortage of water for irrigation in the West, and resistance of the worm complex to pesticides in the Mid-South.

The current status of the farm bill also seems to favor cotton in the Southeast. Every indication is that peanut acreage will go down, with most of this going to cotton. It appears that more produce and fruits also are headed to Mexico. The Southeast has a freight advantage with most of America's spinners in the Southeast, and we are nearer to the large population of the Northeast. Recent legislation passed by the Senate gives cotton growers more flexibility to take advantage of these changes more quickly.

In summary, for the foreseeable future of the Southeast, cotton production is here to stay, and I believe continue to expand. The future of competing crops, corn and soybeans, does not look as good.

In the short run, cotton acreage probably will change very little in 1996 because of high grain prices, but I feel cotton prices will be better than grains in 1997 and future years, improving cotton's future in the Southeast.

We have an advantage for now, and I believe we will build on it.