

## High Plains Producers Begin Cotton Harvest

By Mary Jane Buerkle

Over the past couple of weeks, High Plains producers have been slowly working their way into the 2012 harvest season, although harvest won't be in full swing for another week or two.

Several gins processed their first bales this week, including Pioneer Gin in Seminole, where manager Ben Royston shared a picture via social media.

Early classing results for Lubbock show good color, with 68 percent of samples classed so far at color grade 11 or 21. Average Leaf grade is 2.58, with an average 32.67 Staple. Other season average quality measurements are 4.0 Micronaire, 28.19 g/tex Strength and a Uniformity of 78.81 percent. Through Thursday, the Lubbock office has classed 3,140 bales.

Some areas received rainfall over the past week, but a few producers have reported to PCG hail damage from storms on Wednesday evening. Damage was reported in southern Lubbock and northern Lynn counties and also in northern Floyd and southern Briscoe counties.

As of noon Friday, 72-hour rainfall totals from the West Texas Mesonet showed Caprock Canyons receiving 2.44 inches, Turkey at 1.83 inches, and Roaring Springs and Lamesa both at 1.7 inches. The rainfall, as it has been all year, was spotty and some portions of PCG's service area did not fare as well this time, with Morton at 0.13 inches, Seminole at 0.14 inches, Levelland at 0.18 inches and Dimmitt recording just 0.06 inches. However, weather forecasts include a significant chance of additional precipitation over the weekend.

"Rainfall always is welcome, as we certainly need the moisture going into the 2013 crop," PCG Executive Vice President Steve Verett said. "We hope that our growers and ginners can move quickly and efficiently through this year's harvest without major delays."

### U.S. Cotton Seeks Action on Contract Defaults

From the National Cotton Council

U.S. cotton industry leaders met this week with senior U.S. government officials to discuss the serious financial losses accruing in all industry segments as a result of massive defaults on cotton export contracts. Industry leaders emphasized the threat these contract defaults posed to the growth of U.S. exports and underscored the crucial importance of contract sanctity and the enforcement of arbitration awards as cornerstones of international trade.

The delegation from the National Cotton Council, the American Cotton Shippers Association, AMCOT and the National Council of Textile Organizations met on September 25-26 with USDA Secretary Thomas Vilsack, U.S. Trade Representative Ron Kirk, and Assistant Secretary of State William E. Craft, Jr. The sessions followed up previous meetings with Administration officials and leading Members of Congress in August and March.

The cotton industry leaders reported that contracts worth nearly \$1 billion, covering sales of more than 4 million bales, are either in default or are at risk of default with little sign of resolution. The delegation explained that while the industry has worked diligently to utilize the internationally recognized arbitration system, far too many foreign mills have refused to honor eventual awards. Worse, in many cases, the host governments appear to be protecting the foreign mills from enforcement of awards, a concern exacerbated

in cases in which the mills themselves are state owned.

The delegation urged the U.S. officials to pressure foreign government counterparts, emphasizing the crucial importance of contract sanctity as a cornerstone of international trade and warning that a failure to enforce contracts will disrupt international trading relations and undermine the support for future trade agreements. The delegation also noted that other U.S. commodities, such as grains and oilseeds that are currently enjoying record prices, could be at similar risk in the future if the United States doesn't take a strong stand in defense of contract sanctity.

The delegation suggested that U.S. officials use the leverage of trade preference discussions to impress on foreign government officials the importance of honoring contracts. They further suggested that if U.S. government agencies are sourcing products from suppliers in default that future purchases from those sources should be terminated.

ACSA Chairman Ricky Clarke, a merchant with Cargill Cotton, a division of Cargill Inc., in Cordova, Tenn., said textile mills in several countries, including Bangladesh, Indonesia, Thailand and Vietnam, have defaulted on millions of dollars of raw cotton contracts that resulted in severe economic losses for U.S. cotton merchants and marketing cooperatives.

"Contract sanctity is a fundamental building block of trade relations and widespread disregard of the principle should sound a loud warning to the extension of trade preferences," Clarke said. "The U.S. government should carefully consider a foreign government's record of enforcing commercial commitments when granting eligibility to a U.S. trade preference program."

NCC Vice Chairman Jimmy Dodson, a Robstown, Texas, cotton producer, said, "The defaults are threatening the ability and the willingness of cooperatives and merchants to enter into forward contracts with producers, thereby reducing competition for cotton fiber and resulting in lower prices for farmers."

AMCOT's Mike Quinn, president of Carolinas Cotton Growers Cooperative in Garner, N.C., agreed saying, "Contract defaults ultimately mean lower prices and reduced returns for producers.

In addition, merchant and cooperative losses jeopardize U.S. jobs and threaten the fragile commodity banking system."

NCTO's Dan Nation, division president of Parkdale Mills in Gastonia, N.C., noted, "U.S. textile mills honor their commitments or face quick legal action in U.S. courts. International mills operate under fewer judicial constraints and gain a competitive advantage by their ability to default without penalty, reducing their relative raw material prices and allowing them to undercut prices for yarn, fabrics, and garments offered by non-defaulting mills."

### USDA Announces Disaster Assistance Sign-up for 2011 Crop Losses

October 03, 2012 – Terry County USDA Farm Service Agency (FSA) Executive Director Josh Reames today announced that producers can enroll in the Supplemental Revenue Assistance Payments (SURE) program for 2011 crop year losses beginning Oct. 22, 2012. Under the 2008 Farm Bill, SURE authorizes assistance to farmers and ranchers who suffered crop losses caused by natural disasters occurring through Sept. 30, 2011.

"Eligible producers who experienced a 2011 crop loss can contact the Terry County FSA office to learn more about the SURE program," said Reames. "All eligible farmers and ranchers must sign up for 2011 SURE benefits before the June 7, 2013 deadline," he said.

To qualify for a SURE payment, the producer's operation must be located in a county that was declared a disaster for 2011 and have at least a 10 percent production loss that affects one crop of economic significance. Producers with agricultural operations located outside a disaster county are eligible for SURE benefits if they had a production loss greater or equal to 50 percent of the normal production on the farm.

In Texas, 213 counties received a primary Secretarial Disaster Designation and 41 counties received a contiguous Secretarial Disaster Designation during 2011. This means that all 254 counties in Texas can apply for SURE benefits as long as all other eligibility requirements are met.

To meet program eligibility requirements, producers must have obtained a policy or plan of insurance for all insurable crops through the Federal Crop Insurance Corporation and obtained Noninsured Crop Disaster Assistance Program (NAP) coverage on non-insurable crops, if available, from FSA. Eligible farmers and ranchers who meet the definition of a socially disadvantaged, limited resource or beginning farmer or rancher do not have to meet this requirement. Forage crops intended for grazing are not eligible for SURE benefits.

For more information on SURE program eligibility requirements contact the Terry County FSA office at 806-637-7666 or visit the website at <http://www.fsa.usda.gov/sure>.



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