

# Agriculture News

**★ AgTexas** 121 W Broadway  
Brownfield, TX  
P: (806) 637-3589  
F: (806) 637-7477

**FARM CREDIT SERVICES**

**FARM CREDIT**  
*Lending support to rural America™*

Livestock & Dairy Loans • Agribusiness Loans  
Equipment Loans • Farm & Ranch Operating Funds  
Real Estate Loans • Crop Insurance

WWW.AGTEXAS.COM

**Carter & Company**  
**Irrigation, Inc.**

Ronnie Rains  
Sales

611 Seagraves Rd • Brownfield, TX  
806-637-2053

Terry County Tractor, Inc.

Since **TCT** 1956

Brownfield, Texas

1105 Seagraves Road • (806) 637-4569

**Lyntegar Electric**

(806) 637-7029  
Toll Free: (877) 218-2308

1807 Main St. • Tahoka, Texas

**Texas AG Plus**

OFFICE  
806.637.4590  
FAX  
806.637.4599  
EMAIL  
texasagplus@yahoo.com

1670 US Hwy 62-385  
Brownfield, TX 79316

Pump Sales  
Irrigation Supplies

South side of  
B.E. Implement on 385

LIFE • AUTO • HOME • CROP INSURANCE  
LONG-TERM CARE • MEDICARE SUPPLEMENT

**David Downs**

**FARM BUREAU INSURANCE** Terry County Farm Bureau

521 West Main • Brownfield • (806) 637-2504

PRAY FOR RAIN !

**Brownfield Farmers COOP**

Seed • Fertilizer  
Chemicals

902 West Main • (806)637-4517

## SUBSIDIES *from Page One*

Passage of the package "would put an end to widespread abuse in farm programs," said the National Sustainable Agriculture Coalition, which represents small farmers. It said the chances for passage of a new farm bill would be boosted by the inclusion of meaningful payment limits.

Although the Senate included similar reforms in its farm bill last year, the version approved by the House Agriculture Committee rejected them. Both bills died at the end of 2012 so Congress must start over on the bill this year.

Grassley said he was confident the Senate would adopt the package this year. Senators Mike Enzi, an Wyoming Republican; Tim Johnson, a South Dakota Democrat; and Sherrod Brown, an Ohio Democrat, joined Grassley as sponsors. Brown and Grassley are members of the Senate Agriculture Committee.

The senators proposal would allow grain, cotton and soybean growers to collect up to \$50,000 a year for all crop subsidies and \$75,000 annually from the marketing loan program, for a total of \$125,000 per farmer. The total would double to \$250,000 for a married couple.

At present, there is a \$105,000 limit per farmer, or \$210,000 per couple, on crop subsidies and no limit on marketing loan benefits,

so there is no overall limit on payments.

The senators said a stricter definition of who qualifies for subsidies, known as the "actively engaged" rule, would greatly reduce the flow of subsidies to investors and absentee owners who take no role in running a farm but who say they provide key management direction.

Farm subsidies are available to people who provide land, equipment or capital and 1,000 hours of labor per year or active management. A decade ago, a congressional commission suggested more stringent rules on what qualifies as management.

"For too long farm program payments have gone to producers who do not need the support -- and sometimes to people who are not involved in farming," said Brown.

The 2008 farm law was the first to deny subsidies to the wealthiest farmers, or those with more than \$1.25 million in adjusted gross income. It also ended the "three-entity rule" that allowed growers to collect subsidies directly and through two affiliates.

Payment limits are a perennially divisive issue in U.S. agriculture, pitting cotton and rice growers in the South against the wheat, corn and soybean farmers of the Plains and Midwest, and big operators against small farmers. Cotton and rice have the highest support rates but also high costs of production.

Between a period from 1995 though 2011,

Terry County ranked seventh in Texas in the receipt of commodity subsidies, totaling \$537 million, according to figures from the Environmental Working Group, a nonprofit research organization based in Washington, D.C.

In 2011, Terry County was fourth in the state.

A commodity subsidy is a governmental subsidy paid to farmers and agri-businesses to supplement their income, manage the supply of agricultural commodities, and influence the cost and supply of such commodities.

Examples of such commodities include wheat, feed grains (grain used as fodder, such as maize or corn, sorghum, barley, and oats), cotton, milk, rice, peanuts, sugar, tobacco, and oilseeds such as soybeans.

Such governmental subsidies include direct payments, Counter-Cyclical Payments (CCPs), Marketing Loans, LDPs and Certificates, Average Crop Revenue Election Program (ACRE), and Disaster Payments.

The United States currently pays around \$20 billion per year to farmers in direct subsidies as "farm income stabilization via U.S. farm bills. These bills pre-date the economic turmoil of the Great Depression with the 1922 Grain Futures Act, the 1929 Agricultural Marketing Act and the 1933 Agricultural Adjustment Act creating a tradition of government support.

## COTTON NEWS

### Survey Projects 27 Percent Decline in Upland Cotton

**National Cotton Council** U.S. cotton producers intend to plant 9.01 million acres of cotton this spring, down 26.8 percent from 2012, according to the National Cotton Council's 30th Annual Early Season Planting Intentions Survey. (see table at <http://www.cotton.org/news/meetings/2013annual/plantin.cfm>)

Upland cotton intentions are 8.81 million acres, down 27.0 percent from 2012, while extra-long staple (ELS) intentions of 203,000 acres represent a 15.0 percent decline. The survey results were announced today at the NCC's 2013 Annual Meeting being held February 8-10 in Memphis.

Assuming slightly above-average abandonment in the Southwest region due to the dry conditions and all other states set at historical averages, total upland and ELS harvested area would be 7.65 million acres, which is 15.2 percent below planted area. Applying state-level yield assumptions to projected harvested acres generates a cotton crop of 12.86 million bales, compared with 2012's total production of 17.01 million bales.

NCC Vice President Gary Adams said that, "Planted acreage is just one variable determining final production. Weather is often a more significant determinant, particularly

weather developments in the southwestern U.S. With this in mind, we could see the U.S. crop ranging from a low of 9.5 million bales to a high of 17.0 million bales."

The NCC survey, mailed in mid-December 2012 to producers across the 17-state Cotton Belt, asked producers for the number of acres devoted to cotton and other crops in 2012 and the acres planned for the coming season. Survey responses were collected through mid-January.

Adams noted, "Projections by market watchers have been calling for reduced acreage in 2013, and the NCC survey agrees with those expectations. Cotton farmers are responding to market signals. Relative prices of cotton and competing crops have been the primary factor influencing U.S. acreage."

Survey respondents throughout the Southeast indicated a decline of 18.5 percent, lowering the regional total to 2.24 million acres. Respondents indicating a decline in cotton acreage are shifting to corn and soybeans, with soybeans more heavily favored as the alternative. Those planting more acres of cotton indicated fewer acres in the "Other Crops" category, which are peanuts in this region.

In the Mid-South, survey results show that growers intend to plant 1.00 million acres, which is half of last year's total. The decline in cotton acres is consistent with relative returns for cotton and competing crops based on current futures markets.

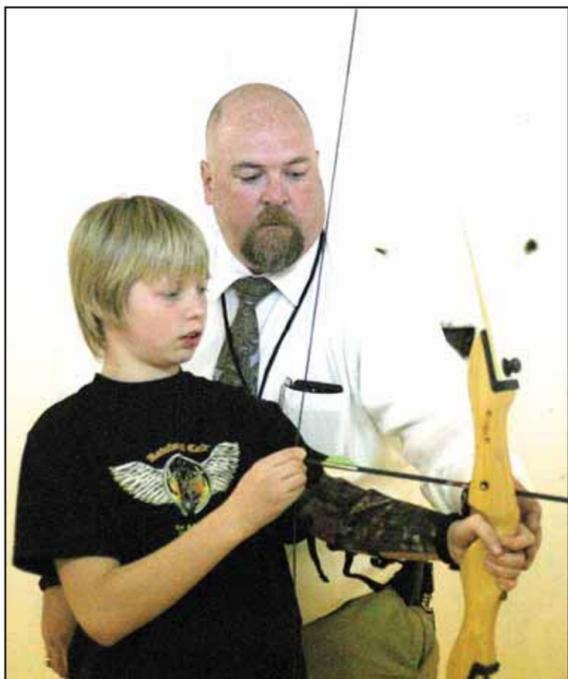
Adams stated, "Based on USDA costs of production and trend yields, the shortfall between cotton net returns and returns for corn and soybeans is substantially larger than in 2009 -- the most recent low in acreage."

Survey responses said that corn accounts for slightly more than half of the planned decline. Soybeans account for the remainder of the decline in acres, with many of the soybeans being double-cropped with wheat.

Southwest growers are indicating total upland acres of 5.23 million, down 24.4 percent from last year. The respondents planting less cotton said they intend to move those acres into grain sorghum, wheat and corn, in that order. The survey indicated that some producers are planning to increase cotton, with some of those acres coming from grains but

the larger reason underlying the increase appears to be weather. Growers unable to plant last year due to drought conditions are expecting to sow more acres in 2013.

In the West, a 12.2 percent reduction is expected with the regional total at 341,000 acres, and the vast majority of those acres moving into specialty crops. For ELS cotton, U.S. acreage is pegged at 203,000 acres, down 15 percent. As is the case of upland cotton, ELS prices down from year-earlier levels are inducing a shift to other crops. (see table at <http://www.cotton.org/news/meetings/2013annual/plantin.cfm>) Adams reminded NCC delegates that the expectations are a snapshot of intentions based on market conditions at the time of the survey. Actual plantings will be influenced by changing market conditions and weather.



Volunteer instructor Sgt. Michael Dorris helps student Arlie Millican with his aim. Terry County 4-H recently reintroduced their archery program.

**Valley Irrigation & Pump Service, Inc.**

**VALLEY**

Valley Irrigation & Pump Services, Inc.  
1106 Seagraves Road  
Brownfield, TX 79316

Tommy Gilliam  
(806) 637-7654

**Clint Williams Company - Western Division**

Purchasing, Handling and Storing Peanuts for The Clint Williams Company. Locations in Levelland, Plains, Welch, Meadow and Brownfield, Texas

Lance Richolson  
Buying Point Manager  
Plains and Welch

Chris Elkins  
Area Manager  
West Texas High Plains

Debbie Cox  
Area Office Manager  
West Texas High Plains

Brownfield Office  
902 West Broadway  
Brownfield, TX 79316

Phone: (806) 637-1422

**South Plains Underground Water Conservation District**

PO Box 986  
Brownfield, TX 79316

*Use water wisely!*

**South Plains UWCD**

[www.spuwcd.org](http://www.spuwcd.org)