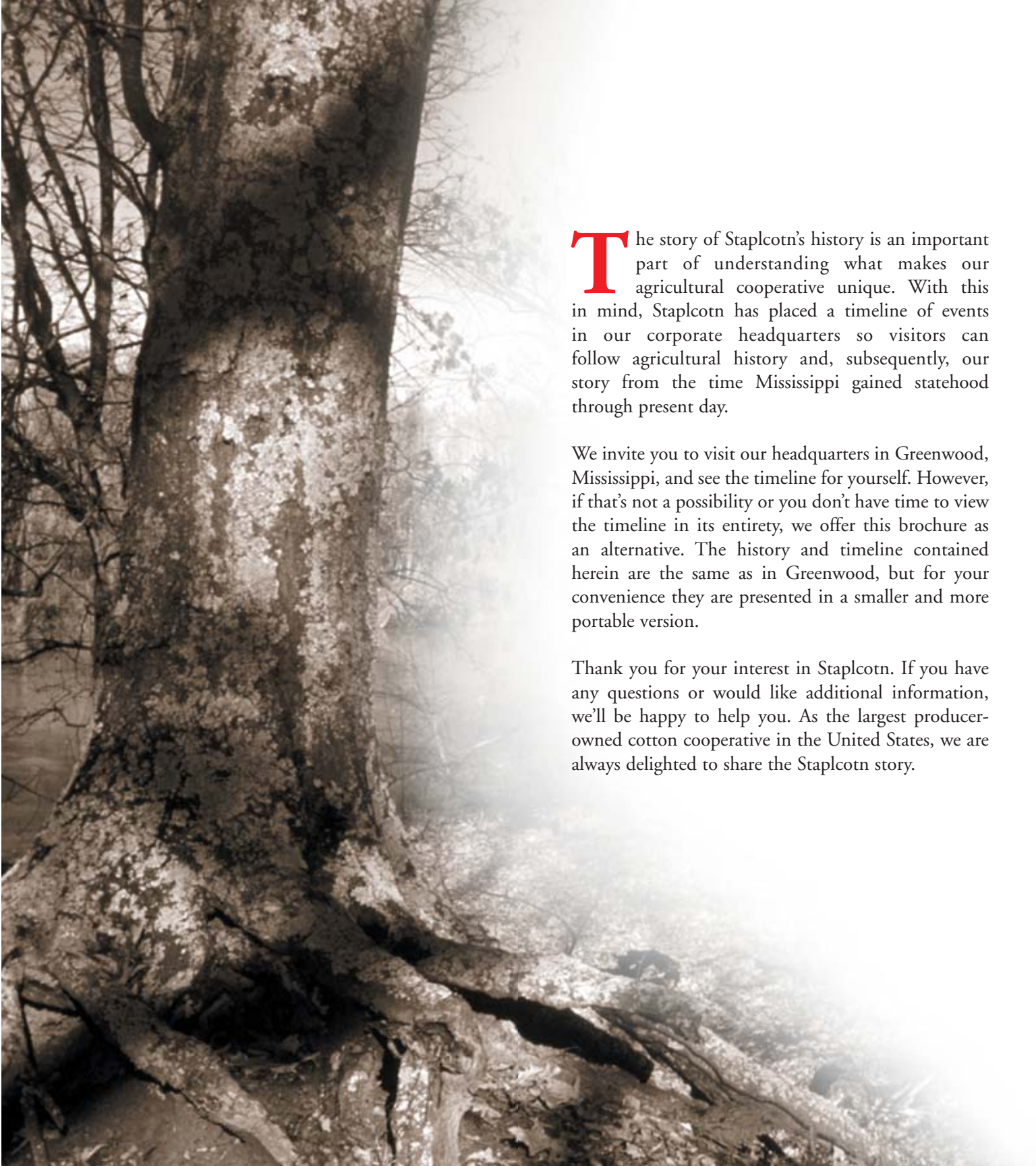


# THE STAPLCOTN STORY



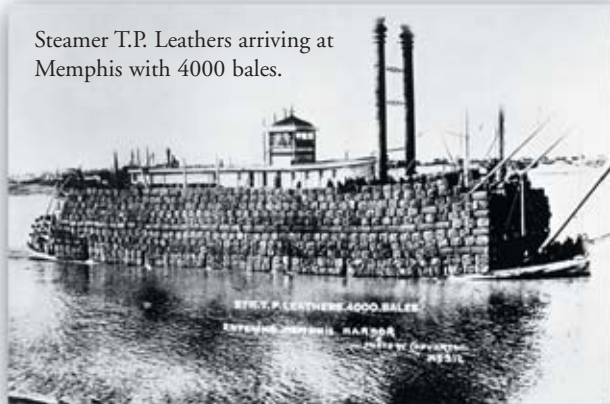


**T**he story of Staplcofn's history is an important part of understanding what makes our agricultural cooperative unique. With this in mind, Staplcofn has placed a timeline of events in our corporate headquarters so visitors can follow agricultural history and, subsequently, our story from the time Mississippi gained statehood through present day.

We invite you to visit our headquarters in Greenwood, Mississippi, and see the timeline for yourself. However, if that's not a possibility or you don't have time to view the timeline in its entirety, we offer this brochure as an alternative. The history and timeline contained herein are the same as in Greenwood, but for your convenience they are presented in a smaller and more portable version.

Thank you for your interest in Staplcofn. If you have any questions or would like additional information, we'll be happy to help you. As the largest producer-owned cotton cooperative in the United States, we are always delighted to share the Staplcofn story.

Steamer T.P. Leathers arriving at Memphis with 4000 bales.



**1817** - Mississippi becomes a state. At first, settlers avoid the heavy forests and swampland of the Delta, but its fertile soil quickly proves irresistible.

**1826** - Ben Smith, one of the earliest Delta planters, buys 30,000 acres in Washington County. The factor system, imported from the West Indies to colonial America, provides slave labor, tools, machinery, funds and supplies for planting. In return the entire crop is assigned to the factor, who determines the planter's proceeds as well.

**1860s** - Slavery is abolished and the agricultural system in the South disintegrates. Freed slaves who remain in the South have few ways to make a living, and planters have no labor resources.

**1870s** - During the Reconstruction Period, the sharecropping system matches laborers who have no land with landowners who have no labor. This system exists for nearly 80 years until technology begins replacing human labor with mechanization.

**1880s** - The Delta relies on river transportation to get its cotton to market. Some steamboats are so completely laden with their cargo that the boat's physical structure all but disappears.



**1894** - A record U.S. crop totals nearly ten million bales grown on more than 23.5 million acres. Local factors sell to local buyers or local buyers deal directly with growers. After the turn of the century, favorable geographic and labor conditions in the South begin to lure New England mills to South Carolina.

**1919** - An inflationary period after World War I creates a roller coaster for cotton prices. During the 1919 harvest season, Oscar Bledsoe, Jr. takes a fateful train ride to Memphis. Upon hearing a conversation between two cotton merchants joking about taking advantage of Delta planters, Bledsoe is determined to find a better way for growers to market their cotton.

**1919** - At his own expense, Oscar Bledsoe hires Californian Aaron Shapiro to help him create a growers' cooperative. He discusses his organizational plans with fellow Delta planters LeRoy Percy, Alf Stone and Oscar Johnston. This group is among the first to recognize the potential of marketing long staple cotton in a strategic, organized manner.

**1920** - From an average of 38 cents per pound for cotton during the 1919-1920 crop year, prices drop to 17 and 18 cents per pound for the 1920-1921 crop. Profits for growers remain a game of chance dependent on Mother Nature, insect infestation, the economy, gin capacity and each planter's individual skills as a negotiator.

**1920** - Bledsoe and others create a cooperative marketing plan, and ten Delta planters underwrite a thousand dollars each as seed money for the venture.

**1920** - Delta planters attend three general meetings in the summer, and a committee of the following organizing directors is formed in July: D.L. Bingham, Oscar Bledsoe, Jr., G.G. Council, L.G. Dean, Will Dockery, L.H. Gaines, T.R. Henderson, Oscar Johnston, J.G. McGehee, C.C. Moore, E.P. Peacock, A. M. Pepper, Senator LeRoy Percy, R.L. Pillow, Frank M. Robertshaw, Ben F. Saunders, A.Y. Scott, J.H. Sherard, Alfred H. Stone, M.P. Sturdivant and J.M. Yeager.

**1921** - In May, the campaign for membership closes with 1,800 signers. Mississippi law does not allow growers to form a cooperative-selling organization. On May 23 in Nashville, TN, before Tennessee Secretary of State Ernest N. Haston, articles of incorporation are filed for Staple Cotton Cooperative Association. The papers are signed by Oscar Bledsoe, Jr., Senator LeRoy Percy, Oscar Johnston, Alex Y. Scott and Ben Saunders.



**1921** - On June 14 at the Gayoso Hotel in Memphis, Oscar Bledsoe is elected president and chairman of the cooperative, H.E. McIlwain is named temporary secretary, and Alf Stone is elected vice-president. Cotton merchant W.M. Garrard presents an operating plan, and later the Association signs a five-year employment contract naming him as general manager.

**1921** - After closely examining the goals and the organizational structure of this new venture, Commercial Appeal Editor C.P.J. Mooney gives the Association his wholehearted support. In August, the Association advertises in the Commercial Appeal to explain, "This is a marketing association, pure and simple."

**1921** - Following the farm price debacle of 1920-1921, Bledsoe and Garrard request and receive a \$5 million loan from the War Finance Corporation. Receipt of the

loan is a vote of confidence and a significant demonstration of the soundness of Staple Cotton Cooperative Association's leadership and policies.

**1921** - Staple Cotton's first cotton crop is marketed. 1,481 members deliver 156,026 bales which is sold for an average of 25.96¢ per pound. Later in this decade, a boll weevil infestation forces growers to abandon long staple cotton varieties, and bale volume for the new association plummets.

**1923** - Vice President Alf Stone begins publishing The Staple Cotton Review, a twice monthly member newsletter.

**1923** - Oscar Bledsoe, Will Garrard, Oscar Johnston and M.P. Sturdivant study alternatives for crop financing. As a result, Staple Cotton Discount Corporation is formed to finance the largest grower as easily as the smallest.

**1924** - The News Scimitar attacks Staple Cotton claiming Memphis has lost \$15 million due to the actions of various cotton growing associations. The newspaper charges that Delta growers are as "crooked as a counterfeiter and as vicious as a Chinese highbinder."

Staple Cotton responds in the Commercial Appeal. "If one tenth of one percent of these charges were true, the Association could not have successfully maintained its position for the past four years as the largest shipper of Delta staples in America."

**1927** - On April 21, waters of the Mississippi River break through a levee near Greenville and, ultimately, more than 5,200,000 acres of the Mississippi Valley flood. Delta plantations become inland lakes, and Staple Cotton loses 33,000 bales stored in warehouses. Luckily, all are covered by flood insurance, and the Association collects more than \$2 million for its growers.

**1930** - 15 Delta banks close. The Association closes branch offices everywhere except Memphis, Vicksburg, Clarksdale, Greenwood and Greenville. Salaries are



Henderson-Baird  
Building, 1905



Staple Cotton Office, 1927

reduced and Staple Discount obtains a \$1 million loan from the Federal Farm Board.

**1931** - Staple Cotton moves from the southwest corner of Market and Fulton Streets in Greenwood to new offices at 214 West Market Street.

**1934** - Staple Cotton's Fertilizer and Insecticide Department is created. The Association is the first to bring man-made fertilizer to Mississippi.

**1935** - J.D. Rust tests and demonstrates his mechanized cotton picking machine at Clover Hill Plantation near Clarksdale. John T. Fargason, Jr., who owns Clover Hill, is the first purchaser of a self-propelled Rust Cotton Picker.

**1939** - Hank Hodges, who would one day be president of Staple Cotton, comes to work as an afternoon office boy. At age 16 in 1939, Hodges takes a full-time job at the Association.

**1943** - President Roosevelt urges cotton producers to increase production to meet military and Lend Lease needs. Delta cotton is used in the manufacturing of uniforms, blankets, tents, sand bags and other army supplies. "Victory harvests" utilize school children as well as German and Italian prisoners of war to replace the labor lost with so many young men away serving their country.



**1945** - The war ends and the realization of a mechanized picker jumps ahead. In 1945, it costs around \$40 to hand pick a bale. The mechanical picker does the same job for \$7.50, however it picks bits of leaves and trash along with the cotton. This lowers the cotton's grade and selling price.

**1948** - With the federal government's approval and to relieve the overload faced by the government classing office in Memphis, Staple Cotton creates and issues an official class for cotton and moves classing in-house.

**1951** - Tennessee Valley Authority-generated fertilizer, sold through Associated Cooperatives, is replaced by Staple Cotton's main supplier of fertilizer: the newly organized Mississippi Chemical Corporation (MCC). Staple Cotton is a major shareholder in MCC.

**1954** - Alf Stone, Oscar Johnston, F.C. Wagner and Bernard Graft are named director emeritus for life at the November Board meeting. Elected to replace these longtime directors are E.W. Hooker, S.C. Chapin, J.R. Flautt and Dr. C.R. Sayre who is president of Delta and Pine Land Company, the Association's largest member.

**1955** - W.M. Roberson, chairman of the Farm Credit Board and president of the Minter City Oil Mill, is named executive vice president after serving as a director since 1950. Original directors Alf Stone and Oscar Johnston succumb in May and October, respectively.

**1955** - The Association erects a new building on Howard Street to house the sales room and two stories of open storage. The existing building on Market Street, which houses administration, is named for Oscar Bledsoe, who passed away in 1954. The new sales building is named to honor Will Garrard.

**1958** - Synthetics are entering the market and by spring, Will Garrard reports a mill contact in the East has said, "... just as rapidly as possible, they are adulterating cotton with rayon and other synthetics."

**1958** - Branch offices are established in smaller towns such as Tunica, Rosedale, Ruleville, Cleveland, Indianola, Hollandale, Canton and Rolling Fork in Mississippi, as well as Tallulah, Louisiana, West Memphis, Arkansas, plus other locations through affiliations with the Mississippi Farm Bureau and Mississippi Federated Cooperatives.

**1958** - Will Garrard dies in September and Bob Flautt takes over until Dr. Charles R. (Jerry) Sayre, a director since 1954, assumes control on January 1, 1959. Flautt is remembered as Staple Cotton's "first active vice president."

**1961** - Staple Cotton celebrates its 40th anniversary. During these years 12 million bales of Delta cotton have been marketed for a gross return of \$1.6 billion to grower members. Membership has grown from 1,500 the first year to 3,000 and bale receipts from 156,000 in 1921 to more than 500,000 annually.

**1962** - Over 600,000 bales are received by Staple Cotton, marking a record in the association's history.

**1964** - Staple Cotton increases sales into export markets by marketing more than 100,000 bales of the 1963 crop to foreign spinners.

**1965** - The synthetic fiber industry is cutting 300,000 bales per year out of the domestic cotton market. By

1964, American mills would be using as many pounds of synthetic as they did cotton.



**1965** - Staple Cotton Services Association is formed to allow entry into warehousing. The chemical, farm supply and fertilizer divisions are transferred to Staple Services. To provide warehouse space, the Union compress in downtown Greenwood is purchased and new innovative metal buildings are constructed at Rising Sun.

**1965** - The Association purchases the old Bank of Commerce building, enclosing adjacent alley space and tying everything into the Bledsoe and Garrard Buildings.

**1966** - Staple Cotton sells waterfront property in the Greenville Harbor Front Industrial Park to Farmers Grain Marketing Terminal, a cooperative that the Association helped found. Staple Cotton contracts to manage and operate the elevator for a flat fee and percent of profits for three years. Several inland grain elevators are also purchased.

**1969** - G.C. (Cauley) Cortright becomes vice president, not as a salaried employee but in line of succession for the Staple Cotton presidency.

**1971** - Staple Services enters the cattle business with the organization of the Livestock Division.

**1971** - AMCOT is formed by Staple Cotton and three other major U.S. cotton marketing cooperatives. The organization solicits both foreign and domestic sales, although actual sales are made by individual co-ops.

**1975** - Cauley Cortright is elected Staple Cotton's chairman of the board.

**1976** - Hank Hodges is vice president of the Association as well as executive vice president and chief executive officer of Staple Discount.



Garrard Building, 1955

**1976** - Staple Services quits the cattle business and purchases Planters Compress in West Memphis, Arkansas.

**1978** - Hank Hodges is elected president and chief executive officer of Staplcotn.

**1978** - Staplservices merges with Staplcotn. Farmer's Grain Terminal ends its management agreement with the Association and later purchases Staplcotn-owned inland elevators.

**1980** - In response to alarming drops in Staplcotn's market share, Woods Eastland, head of the Cotton Marketing Review Committee, recommends that the Association no longer offer forward crop contracts, a call option, a seasonal option and spot market sales. Instead only a Call Pool and a Seasonal Pool should be offered for the 1982 crop.

**1981** - The Mill Sales Program begins as a pilot project for the 1982 crop and proves to be a big success.

**1981** - Chairman Cauley Cortright steps down and Woods Eastland becomes chairman of the board.

**1982** - The U.S. economy faces the worst economic recession since the 1930s. A variety of factors, including crop overproduction and devalued land, leads to farm bankruptcies of epidemic proportions.



**1983** - Staplcotn sells the Chemical Division to Valley Chemical Company.

**1984** - Virginia White becomes Staplcotn's first female vice president. Biddley Wood of Grady, Arkansas, is the first woman elected to the Board.

**1984** - The Fertilizer Division is sold to Delta Purchasing Federation.

**1985** - Funded by a coalition of cotton producers, industry, labor and manufacturers, the "Crafted With Pride In The USA" campaign is launched to influence the public to buy American-made textile products. Cheaper, imported textiles and apparel are hurting U.S. cotton growers, American mills, producers and manufacturers.

**1986** - C. Aven Whittington is named Staplcotn's board chairman. He oversees the period during which Hank Hodges retires and Woods Eastland moves from board chairman to president.

**1986** - The 1985 Farm Bill goes into effect and introduces a new concept, the marketing loan, which guarantees that U.S. cotton will be as cheap as any cotton in the world. Consumers are beginning to favor U.S. products and demand is going up. The market loan also favors Staplcotn's Seasonal Option.

**1988** - Rising Sun Warehouse constructs the final two storage buildings, bringing capacity to 375,000 and making it the largest cotton warehousing facility in the Southeast.

**1990** - Staplcotn purchases Itta Bena Cooperative Compress, which provides space for an additional 79,000 bales.

**1990** - The 1990 Farm Bill, plus the eradication of the boll weevil, encourage a return of cotton production to the Southeast beginning with the 1991 crop.

**1992** - William H. Percy II is elected chairman of the board.

**1992** - The 70,000-bale Tunica warehouse is purchased to provide warehousing in the Memphis area, which allows the Marketing Division to certificate and deliver cotton more cost effectively against New York futures contracts. The following year, the 75,000-bale West Memphis warehouse (sold in 1979) is repurchased and is expanded twice in a matter of months to a new capacity of 180,790 bales.

**1994** - Staplcotn qualifies to do business in North Carolina, South Carolina, Florida, Georgia and Virginia.

**Mid-1990s** - American mills go to “quick response” or “just in time” inventory. Staplcotn reacts by responding quickly to the mills’ requests for shipments. Staplcotn acquires additional warehouse facilities in Mississippi and Arkansas.

**1995** - Staplcotn has regional field offices in Greenwood, Clarksdale, Greenville and Yazoo City, Mississippi; Rayville, Louisiana; West Memphis, Blytheville and McGehee, Arkansas; Brownsville, Tennessee; and Albany, Georgia.

**1995** - Staplcotn converts from traditional warehouse receipts to electronic receipts and is a co-founder of EWR, Inc.

**1996** - Staplcotn celebrates its 75th anniversary.

**1999** - For the first time, the Warehouse Division volume exceeds one million bales.

**1999** - Statesboro, Georgia office opens, and the Staplcotn website is established to provide grower account information.

**2000** - Association membership surges 50% over previous years due in part to increased acreage in the Southeast and Staplcotn’s success in returning relatively

high prices to growers. Staplcotn exceeds \$1 billion in sales for the first time ever.

**2001** - Staplcotn becomes the largest cotton warehouse in the United States, handling over 1.7 million bales.

**2002** - Staplcotn takes a more active role in the international marketplace as U.S. mill consumption continues to decline.

**2003** - Total membership in 43 states is 11,887 with more than 20,493 separate farm serial numbers. Staplcotn opens a new office in Athens, Alabama, to serve north Alabama members.

**2003** - Ben Lamensdorf is elected chairman of the board.

**2003** - Renovation of Staplcotn headquarters reconfigures existing space and constructs new space. The new design and expanded space make work flow more efficient, help streamline department interaction and produce a headquarters befitting the Association that markets one fifth of United States cotton.



Staplcotn's newly renovated headquarters, 2003-2004



**Staplcotn**

214 West Market Street • Greenwood, Mississippi

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