

Spring 2017

Staple Review

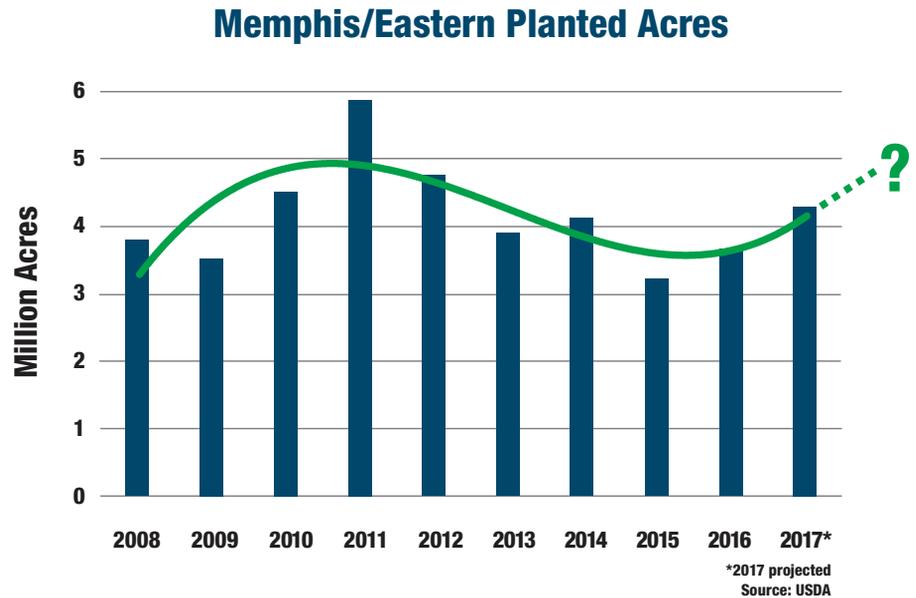
Not
There Yet
Members in
Leadership Roles

Not There Yet!



This past fall I wrote, “Cotton farmers have been waiting several years for cotton to return to more normal conditions, and we are definitely getting closer.” Well, we are closer, but not quite there yet. Prices are better and acreage is higher, but to say that supply and demand are back in balance would be a stretch. World stocks outside of China are balanced and pretty tight at the moment, especially in the U.S. However, Chinese cotton stocks are still high at around 49 million bales, but they continue to fall as Chinese cotton consumption rebounds and China’s farmers produce less cotton than in previous years. My guess is that as Chinese reserves fall, the average quality of that cotton also falls. The quality issue may cause China to open imports up a little sooner than expected above the WTO mandate of 4.1 million bales. The 21% increase this year in U.S. cotton acreage should allow us to supply China any additional imports they may need.

The Memphis Eastern cotton acreage for the 2017 crop is projected to be up around 17%. At Staplcotn, we expect more than a 25% increase in our pool over last season. Our field staff has done an excellent job in securing Staplcotn’s share of increased production. Our sales department is excited and is already working hard on selling this



larger volume at attractive prices.

On the cotton demand side, it seems as though cotton’s market share of the world fiber market has stabilized, and the precipitous year-over-year declines are behind us. Cotton will always be challenged for market share by other fibers; however, one area that I feel U.S. cotton can distinguish itself unequivocally is within the sustainability movement taking place in the textile supply chain. To protect their brand names, many of our customers want to know more about each step of their supply chain and if their product is sustainability produced according to international standards. The meanings and definitions of sustainability are many, but for our industry I believe it means that we can meet the demand of the present without compromising the ability to meet demand in the future. U.S. cotton producers have led the world for decades in research and technological advances that have translated into real, concrete gains in conserving natural habitats, reducing water use, reducing carbon emissions, and increasing yield

with fewer inputs. U.S. cotton production is sustainable and is the most sustainable large scale cotton supply in the world.

While we are doing a great job producing our crop sustainably, we need to improve our sustainability messaging. Some of man-made fibers’ environmental issues are starting to come to light in the media. As more retailers and consumers begin to question the true sustainability of man-made fibers, I believe our natural and renewable fiber can begin to gain back some of its lost market share. The U.S. cotton industry is positioned well, versus cotton from other origins and man-made fiber, to take advantage of these current trends. How we tell our sustainability story will have a significant impact on our ability to regain market share.

I hope your planting season has gone well, and we at Staplcotn look forward to marketing this coming cotton crop. 🌱

Meredith Allen

Staplcotn Members in Industry Leadership Roles

Since its formation in 1921, Staplcotn has consistently been well-represented by members and staff in leadership positions in the U.S. cotton industry. They give their time, share their experiences and knowledge, and work diligently toward making the industry better for all who are a part of it. This year is no exception. Listed below are those who are serving in one or more of the following national organizations for 2017: the National Cotton Council (NCC), American Cotton Producers (ACP), Cotton Council International (CCI), the Cotton Board (CB) and Cotton Incorporated (CI). There are countless more Staplcotn members who serve in regional, state, local, and interest organizations. We are grateful to all who serve and congratulate them on their accomplishments.

Alabama

Michael Tate, Huntsville

ACP chairman (re-elected); At-large ACP director; NCC board member

Walter L. Corcoran, Eufoula

CB member

Timothy J. Mullek, Robertsedale

CB alternate

Shane Isbell, Muscle Shoals

CI director

Tommy Thompson, Andalusia

CI alternate

Charlie Speake, Eufaula

CI director

Lance Whitehead, Fayette

CI alternate

Phil Vandiver, Madison

CI director

John Newby, Athens

CI alternate

Arkansas

Nathan Reed, Marianna

ACP director; NCC board member; NCC state unit officer; CI alternate

Marty White, Jonesboro

CB member

Richard B. Bransford, Lonoke

CB alternate

Herrick Norcross, Tyronza

CI director

Steve Stevens, Tillar

CI director

Ramey Stiles, Marianna

CI alternate

Florida

B.E. "Sonny" Davis, Jr., Cottondale

ACP state chairman; NCC state unit officer

David J. DeFelix, Campbellton

CB member

Lewie Joe Smith, Jay

CI alternate

Georgia

Ronnie Lee, Bronwood

NCC chairman; CI director

Kent Fountain, Surrency

NCC vice president; CCI director

Chad Mathis, Jr., Arlington

ACP state chairman

Steven Meeks, Screven

NCC state unit officer

James L. Webb, Leary

CB member

Benjamin R. Grimsley, Weston

CB alternate

Hank Haddock, Damascus

CI director

Hugh Dollar, Bainbridge

CI alternate

Jeremy Gay, Matthews

CI alternate

John Ruark, Bishop

CI director

Jim Waters, Blackshear

CI director

Jason West, Cobbtown

CI alternate

Ryne Brannen, Statesboro

CI alternate

Johnny Crawford, Chula

CI alternate

Louisiana

Ted Schneider, Lake Providence

CCI 1st vice president

Jason Condrey, Lake Providence

ACP state chairman; NCC state unit officer; CI alternate

Ryan Kirby, Belcher

NCC state unit officer

George LaCour, Jr., Morganza

CB member

Jenni Peterman, Alexandria

CI alternate

Mississippi

Shane Stephens, Greenwood

NCC past chairman and board advisor

Hank Reichle, Greenwood

CCI 2nd vice president

Frederick Barrier, Greenwood

CCI director

Patrick Johnson, Jr., Tunica

ACP state chairman; NCC state unit officer; CB alternate

James Robertson, Jr., Holly Ridge

CB member

Meredith Allen, Greenwood

NCC board member

David Cochran, Jr., Greenville

NCC state unit officer

Coley Bailey, Jr., Coffeeville

NCC state unit officer

Coley Bailey, Sr., Coffeeville

CI director

Bryan Jones, Yazoo City

CI alternate

Kendall Garraway, Bolton

CI director

Lawrence Long, Indianola

CI alternate

Bernie Jordan, Yazoo City

CI director

Tripp Hayes, Clarksdale
CI alternate

Missouri

Chris Porter, Essex

ACP state chairman

A.C. Riley James, New Madrid

NCC state unit officer

William Hunter, Bell City

NCC state unit officer

Jeff Hux, Sikeston

CI director

Allen Below, Dexter

CI alternate

Gregg Mayberry, Bernie

CI director

Steve Droke, Hornersville

CI alternate

North Carolina

David Dunlow, Gaston

ACP producer director; NCC board member; CB alternate

Andrew Burlison, New London

ACP state chairman; CI alternate

Joseph Martin II, Conway

ACP state chairman; NCC state unit officer

Allen McLaurin, Laurel Hill

CI director

South Carolina

Daniel Baxley, Dillon

ACP state chairman

Davis Calhoun, Clio

CI director

Doug Jarrell, Estill
CI alternate

Tennessee

Richard Kelley, Burlison

CCI director; NCC board member

Eugene Pugh III, Halls

NCC state unit officer

Willie L. German, Somerville

CB member

Catherine S. Via, Bells

CB alternate

Virginia

Steele Byrum, Zuni

NCC state unit officer

Fountain Receives National Ginner Award

“You reap what you sow,” is an old saying that has been around since biblical times. In the cotton industry, it has proven true both literally and figuratively. Staplcotn director Kent Fountain is case in point.

Fountain, who farms in Surrency, Georgia, is also the president and managing partner of Southeastern Gin & Peanut, which was formed in 1995 to serve cotton growers in Southeast Georgia. The gin has shown steady growth with his direction and now gins approximately 70,000 bales annually. In November 2016, Southeastern Gin produced its 1,000,000th bale – quite the accomplishment in such a short period of time.



Staplcotn Cotton Specialist Jeff McPhail, 3rd from left, presents a plaque to Southeastern Gin & Peanut as a keepsake marking their 1,000,000th bale milestone. Pictured from left to right are James Clark, Crop Advisor; Roger Branch, Vice President; McPhail; and Kent Fountain, President.

In addition to being a successful farmer and ginner, Fountain is a leader in the cotton industry. He currently serves as the National Cotton Council's ginner vice president, chairing its Cotton Quality Committee, and serving on numerous other committees of

the NCC has chaired the Southeastern Ginner's Technology Committee and has been the long-time chairperson of its Budget Committee. He is also former chairman of the National Cotton Ginners Association.

In February, Fountain was awarded the 2016 Horace Hayden National Cotton Ginner of the Year award at the NCGA's 2017 annual meeting in Dallas. This award is given annually to a ginner who exhibits “able, efficient and faithful service to the ginning industry and continues those principles exemplified and practiced by Horace Hayden, a former NCGA executive secretary.”

Yes, Mr. Fountain has reaped what he has sown through hard work, leadership, and dedicated service to our industry. We congratulate him! 🍀

FROM FIELD TO CLOUD – THE SEWARD AND SON STORY

In the small town of Louise, Mississippi, population 187 (2014 Census), in a quaint little building, on a quiet little street lies the epicenter of a farming operation, Seward and Son, that can easily be classified as remarkable. It's not only the amount of land being farmed under this operation that is impressive—approximately 24,000 acres total and about 8,000 of which will be cotton this year. It is also the way in which the farm is monitored and managed, using state-of-the-art computer and internet technology in every aspect of the operation. The most

extraordinary part of all, however, are the two men who own and operate the farm, Byron Seward and his son, Darrington.

Byron, a soft-spoken, humble gentleman, is a 3rd generation farmer. His grandfather actually started Seward and Son as a mercantile store in 1923. And although Byron's dad was only a small boy at the time, it was clearly his destiny to take over his father's business. In the 1930s, Byron's grandfather began farming and converted the store into his office. That same building is where Byron and Darrington operate from today.

Intelligence and self-motivation runs deep in the Seward family. Byron's great-grandfather graduated from the University of Mississippi in the late 1890's. That alone is noteworthy, considering the era. But, add to that the fact that he was the youngest person to ever graduate from Ole Miss at the age of 17. That's downright impressive!

Byron's grandfather was also very intelligent and ambitious as illustrated by the fact that he attended Washington and Lee University in Virginia at the age of 15. However, at such a young age, it is no doubt that he became homesick and returned to Mississippi to graduate at the age of 19 from Mississippi College.



Byron, who also graduated from Washington and Lee University, continued that family tradition of excellence with combined degrees in Physics and Engineering. He then served two years in the Army in 1971-1972 before returning to farm with his father. Darrington, like his father, knew he would return to the family farm after college. He, too, obtained two degrees, History and English, from the University of Mississippi in 2002.

Because of Byron's educational background, the Army placed him in the Ordnance Corps as a systems analyst as very few people knew how to program computers at the time. This background and experience made implementing today's precision agriculture tools in his farming operation something he couldn't resist. "We started by using the GPS systems when they came out, around the year 2000. Over the years, the technology has evolved and has become very beneficial in all aspects of our operation. We use the data collected from our John Deere equipment, plus we use another web-based precision ag program to collect even more information that we can put to use," Byron said. "We don't store a thing. If we did, there would be big servers all over the place. Instead, it is all stored in the (internet based) cloud. It's all web-based," he

explained.

To collect the data on the additional precision ag program, they have iPads in every tractor. Darrington added, "It is very user friendly so we didn't have to spend a lot of time training our drivers how to use it. Basically, they just have to turn it on, put in a few inputs, and start driving."

The Swards manage a staff of 30 people as well as 30 tractors, 5 cotton pickers, and 6 combines with this system. They are predominately working from their office, but it gives them the option of overseeing offsite as well. They have the ability to pinpoint the exact location of their tractors at all times, monitor their average speed and fuel usage, how many acres per hour they've covered, how long they've been running and how long they may have been down. Their data shows everything from how many seeds they are planting per acre during planting season to how much moisture is in the cotton during harvest season. Byron remarked, "We can tell within 2 acres of where each bale of cotton comes from, the day and time it was picked, the weather conditions of that day, the weight, the serial number of the wrap and never have to touch the cotton. We don't tag anything physically anymore, it's all electronic. That significantly reduces the chance of "lost" cotton because no tags get torn off. We know where every bale is from the minute it gets wrapped in the field and can track it all the way to the mill."

This technology has been hugely beneficial to the Swards in terms of sustainability as well. Byron has always

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From Field to Cloud, continued

been one to apply variable rate fertilizer. “Back in the day, we would take the soil analysis information and go by hand and put flags down to mark where to put the nutrients in the soil as to not oversaturate. Now it is all done from the data we receive and applied through the programming. Darrington is the one who writes that (the prescriptions). We use much less fertilizer, nutrients, and herbicides than we once used,” he said. “Darrington also runs our Phaucet program and uses what he gets in terms of data to determine how much water we need to use. As a result, we’ve been using 1/4 - 1/3 less water in our fields. Before this technology, we always did everything we could to be as sustainable as possible, but if someone asked us to, we couldn’t necessarily prove it. Now we can.”

The Seward family has been on the member rolls of Staplcotn since 1953. “My grandfather had two operations, Seward and Son, and Seward and Harris. He signed up Seward and Harris then, and we signed

up Seward and Son’s acres in the ‘90s,” said Byron. Today, 100% of their cotton is marketed through Staplcotn. “Between our data that we’ve collected and Staplcotn’s data that’s provided to us as members, I can determine exactly the fiber characteristics of everything we plant. I know exactly what each variety of seed produces on every acre how it will yield,” explained Byron.

Byron noted, “This type of technology has become a lot simpler as it has evolved through the years. Someone who hasn’t been trained in computer technology can learn to use it. Some farmers just may not want to spend the time doing it themselves and that’s OK. I would suggest if you try it and it feels laborious to you, not to use it. Let someone else handle the analyzations. We just enjoy doing it ourselves and it works for us.” It’s no wonder that Byron received the 2017 Delta High Cotton Award and was named the 2017 Precision Ag Farmer of the Year. Their operation—how it works, and what it produces—as was noted in the very beginning, is remarkable! 🌱



StapReview

Spring 2017
Vol. 30 No. 1

StapReview is published
as a service to
members of Staplcotn.

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