Winter 2013

StaplReview



Adapting to **Change**

New Board **Members Elected**

A Message from the President

Adapting to Change



In this issue of StaplReview, I would like to discuss several changes that are taking place at Staplcotn. I recently heard a former CEO of one of the largest companies in the world talk about change and how companies react to it. In summary, he said companies must "Adapt or Die." I agree with his statement, and Staplcotn will certainly "adapt" to change in the cotton industry. This cooperative will continue to make the necessary adjustments required to carry out our mission to enhance our members' incomes. I would like to use this opportunity to explain three specific changes taking place at Staplcotn.

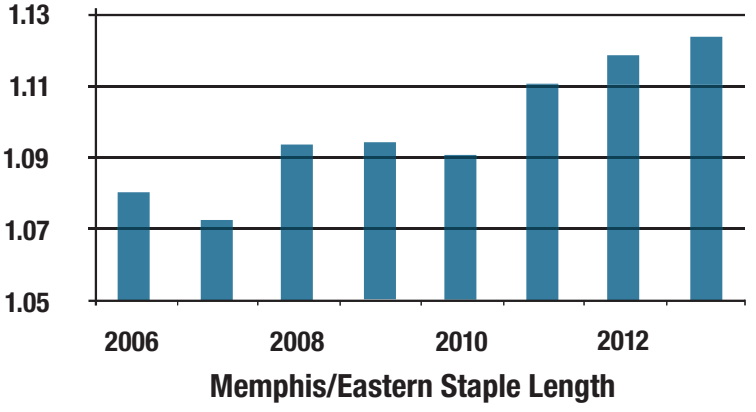
After being overwhelmingly approved by our membership, the Board of Directors formally adopted the changes to the Cooperative's Articles of Incorporation and Bylaws. This new structure should assure our membership that the textile markets that have been developed around the world by our staff will continue to be supplied by Staplcotn. Under the new corporate structure, Staplcotn is allowed to purchase cotton (if needed) from non-members in order to maintain our presence as one of the leading cotton suppliers in the worldwide market. While this was not the only reason for changing the corporate structure, it affords us flexibility and opportunity in the future. As we witness the rapid changes in cotton production, Staplcotn is positioned to maintain the key marketing infrastructure that has been developed for our members.

Our Warehouse Division also continues to make changes as we consider the future of Memphis/Eastern cotton production. In the past few years, we have sold three warehouses in the Mid-South. We also lease out two additional warehouse facilities to other businesses. We have recently purchased a warehouse in Greer, South Carolina, which is in the delivery zone for ICE cotton futures. This location will be vital in our overall hedging strategy. In addition to being a certification point, it will also benefit our marketing to textile mills as well as provide warehousing for some producers in the Southeast. We are currently leasing a warehouse facility in Erwin, North Carolina, which also serves both producers and textile customers. As more of our volume of cotton shifts from the Mid-South to the Southeast, we continue to make infrastructure changes to enhance our marketing capabilities.

Finally, I would like to review the cotton qualities that our members are producing today versus four to five years ago. The product our members deliver for us to sell is much different than just a few years ago. The cotton seed breeders continue to provide our producers with seed that not only produces more yield but also much higher quality than a few years ago. Although the color grade is primarily dependent on harvest weather, it has improved considerably over the last five to ten years with fewer acres and/or much more efficient harvesting equipment. Micronaire has actually trended higher, which is indicative of some of the higher yielding varieties. Staple length, strength, and uniformity have made the greatest improvements. For example, in 2006 the average Memphis/Eastern staple was 34 and by 2012 it had increased to 36. These quality changes also alter the way we sell our members' cotton. In order to achieve higher returns for our growers, we strive to get as much premium as possible for these higher qualities. This means transitioning some longtime customers to alternative qualities and prices and finding new customers that need the higher quality we are producing and can justify paying for it. Our sales staff has been successful in capturing higher prices as the qualities have improved, enabling us to pay premiums.

As a cooperative, we must continue to willingly and sometimes aggressively change the way we do things in order to enhance our members' income. We will all work hard to continue to do that. I hope your harvest has gone well this season.

Meredith Allen



Staplcotn Region 16 Established

Staplcotn's mode of operation has always revolved around service–to its membership and its customer base. For this reason, Staplcotn's management team made the decision to open a region based in Valdosta, Georgia. As Staplcotn's volume of cotton continues to increase in the Southeast, so does the importance of having a cotton specialist in the South Georgia/ Northeast Florida region to service those accounts.



Todd Windham

Todd Windham, from Tallulah, Louisiana, was the Staplcotn Cotton Specialist chosen to make the move. "Since we've seen a transfer in cotton volume–less in the Louisiana region and other parts of the Mid-South and more in the Southeastern regions –we felt like this was the most efficient way to give service to our membership as well as make ourselves available to prospective members. We always strive to minimize our expenses. No additional staff has been hired. Existing cotton specialists' territories and responsibilities have been expanded to cover Todd's former region," explained Shane Stephens, VP of Cotton Services and Warehousing. "Also, with the use of modern technology, our existing office administrators can perform their duties for their own regions as well as assist in other regions. This has been working well for us and the membership."

Windham, who has been a Cotton Specialist for Staplcotn since 1997, made his move to Valdosta in October and hit the ground running. Recently, Windham was joined by Stephens and Frederick Barrier, VP of North American Sales, to make a presentation to area growers. The meeting was hosted by B.C.T. Gin Company in Valdosta. "Our members are always our first priority. Every decision we make is based on what will be best for them. In this case, it became clear to us that the growing membership in this area would benefit from a more localized cotton specialist who would be able to maintain the level of service we require for our members. Todd's knowledge, experience and willingness to work hard made him the logical choice to develop and serve this new region," Stephens said.

Windham's positive attitude is another example of how he will be a great asset to the membership in the Valdosta area. "Cotton is a very popular choice for growers in South Georgia and North Florida. Our marketing options fit perfectly in this area. Staplcotn's torch has always burned on its own fuel. I'm excited about carrying the torch to this new region," remarked Windham.

Region 16 - Valdosta, GA
P. O. Box 1032, Tallulah, LA 71284
229-257-9981; Cell: 229-588-1353
Cotton Specialist - Todd Windham
Office Administrator - Paula Deweese

STAPLCOTN'S ADDITIONAL SERVICE AREAS

Region 1 - Greenwood, MS
P. O. Box 547, 38935-0547
662-453-6231
Cotton Specialist - Chris McClain
Office Administrator - Dana Smith

Region 2 - Yazoo City, MS
P. O. Box 30, 39194-0030
662-746-4941
Cotton Specialist - Chris McClain
Office Administrator - Sharon Nichols

Region 3 - Tallulah, LA
P. O. Box 1032, 71284
318-574-4420
Cotton Specialist - Ross Girtman
Office Administrator - Paula Deweese

Region 4 - Greenville, MS
P. O. Box 547
Greenwood, MS 38935-0547
662-453-6231
Cotton Specialists - Ross Girtman, Chip Upchurch
Office Administrator - Teresa James

Region 5 - Blytheville, AR
P. O. Box 406, 72316-0406
870-763-0001
Cotton Specialists - Rich Vinson, Whit Keasler
Office Administrator - Christie Williams

Region 6 - Clarksdale, MS
P. O. Box 370, 38614-0370
662-627-7261
Cotton Specialist - John Chrestman
Office Administrator - Lauren Baker Fondren

Region 7 - McGehee, AR
P. O. Box 485, 71654-0485
870-222-5003
Cotton Specialist - Ross Girtman
Senior Office Administrator - Susan Craig

Region 8 - Athens, AL
1785D Hwy. 72 East, 55611
256-771-0454
Cotton Specialist - Cullen Lovell
Office Administrator - Anita Jackson

Region 9 - Albany, GA
P. O. Box 71954, 31708-1954
229-432-5500
Cotton Specialists - Stan McMikle,
Tom Pinson
Office Administrator - Ginger Davis

Region 11 - Brownsville, TN
P. O. Box 318, 38012-0318
731-772-6042
Cotton Specialist - Gerald Allison
Office Administrator - Debby Rooks

Region 12 - Andalusia, AL
101 Azalea St., 36420
334-427-9602
Cotton Specialist - Tom McKee
Office Administrator - Paula Deweese

Region 14 - Statesboro, GA
39 East Main St., 30458
912-764-5497
Cotton Specialist - Jeff McPhail
Sr. Office Administrator - Susan Craig

Region 15 - NC/SC
P. O. Box 547
Greenwood, MS 38930
800-293-6231 ext. 834
Cell: 662-820-7253
Cotton Specialist - James Fratesi
Office Administrator - Dana Smith

Grower Meeting Schedule

Clarksdale, MS
Tuesday, January 7
11 a.m.
Knights of Columbus

Columbus, MS
Wednesday, January 8
11 a.m.
Ramada Inn

Edenton, NC
Monday, January 13
Noon
Nixon Catering

Halifax, NC
Monday, January 13
6 p.m.
Halifax Co., Extension

Bennettsville, SC
Tuesday, January 14
11 a.m.
Landmark Restaurant

Darlington, SC
Tuesday, January 14
6 p.m.
Darlington Country Club

Metter, GA
Wednesday, January 15
11 a.m.
Bevrick's

Nashville, GA
Wednesday, January 15
6 p.m.
Berrien County Ag
Services Center

Leary, GA
Thursday, January 16
11 a.m.
The McLendon Barn

Ferriday, LA
Monday, January 20
11 a.m.
Panola Woods
Country Club

Indianola, MS
Monday, January 20
6 p.m.
Capps Center

Sikeston, MO
Tuesday, January 21
11 a.m.
Cheers Bar & Grill

Blytheville, AR
Tuesday, January 21
6 p.m.
Harry L. Crisp Center

Brownsville, TN
Wednesday, January 22
8 a.m.
First South Bank

Athens, AL
Wednesday, January 22
Noon
First National Bank

Staplcotn Welcomes Two New Directors

Staplcotn welcomed two new directors to their board at the Annual Meeting on September 18, 2013. Jeffrey James "Jeff" Hux of Sikeston, Missouri, and Frank B. Rogers III of Bennettsville, South Carolina were both elected by the membership to serve one-year terms.

Jeff Hux is a 1995 graduate of Texas A&M University with a degree in Agricultural Systems Management. He serves as a director for Cotton Incorporated and is a director and past chairman of the Cotton Producers of Missouri. Hux is also an alternate for the National Cotton Council. Hux is a director for the Missouri Delta Medical Center (MDMC) and chairs the MDMC Foundation Farm Committee. He and his wife Tara have three children – Nicholas, age 11; Conner, age 8; and Savannah, age 6. They are members of the St. Francis Xavier church in Sikeston. In addition to cotton, Hux farms corn and soybeans.

Frank Rogers is a graduate of Clemson University with a BS degree in Agricultural Economics. He serves as a board member of the Marlboro County Farm Bureau and is past president of Southern Cotton Growers. Rogers has also served on the National Cotton Council as a producer delegate as well as the NCC's ACP Committee for numerous years. His crops include cotton, soybeans, wheat, corn and peanuts. Rogers and his wife Cheryl are members of Thomas Memorial Baptist Church in Bennettsville and have two adult sons, Patrick and Frank IV.





Jeff Hux



Frank Rogers

2013-14 Board of Directors

Chairman - Woods E. Eastland
Indianola, MS

Chairman-elect - Mike P. Sturdivant, Jr.
Glendora, MS

Meredith B. Allen - *Greenwood, MS*
Coley L. Bailey - *Coffeeville, MS*
Anderson W. Barham - *Oak Ridge, LA*
Laudies D. Brantley, Jr. - *England, AR*
Clay H. Clark - *Swainsboro, GA*
Walter L. Corcoran, Jr. - *Eufaula, AL*
B. E. "Sonny" Davis - *Cottondale, FL*
R. Bowen Flowers, Jr. - *Tunica, MS*
Kent D. Fountain - *Surrency, GA*
Jerry L. Hamill - *Enfield, NC*
Jeffrey J. Hux - *Sikeston, MO*
Bernard Bryan Jones III - *Yazoo City, MS*
George LaCour - *Morganza, LA*
John B. Laney, Jr. - *Lyon, MS*
Lawrence C. Long - *Indianola, MS*
Larry R. McClendon - *Marianna, AR*
I. M. "Mike" Newberry - *Arlington, GA*
John Nolan Newcomb - *Osceola, AR*
Thomas A. "Tap" Parker - *Lake Providence, LA*
Kim D. Rentz - *Colquitt, GA*
Lowry E. Robinson - *Osceola, AR*
Frank B. Rogers III - *Bennettsville, SC*
Warren W. "Tutt" Sullivan - *Tunica, MS*
Hugh H. Summerville, Jr. - *Aliceville, AL*
K. Michael "Mike" Tate - *Meridianville, AL*
W. Stewart Weaver, Jr. - *Proctor, AR*
James L. "Jimmy" Webb - *Leary, GA*
Marty E. White - *Jonesboro, AR*
W. Allen Whitehead - *Ashburn, GA*
John H. Willis - *Brownsville, TN*

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Greenwood, MS

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Staplcotn's new warehouse located in Greer, South Carolina, will be a certification point for ICE futures in the Greenville delivery zone. See President's Message inside for details.

Staplcotn

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Staplreview is published as a service to members of Staplcotn.

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