Spring 2017

StaplReview



Not There Yet

Members in Leadership Roles

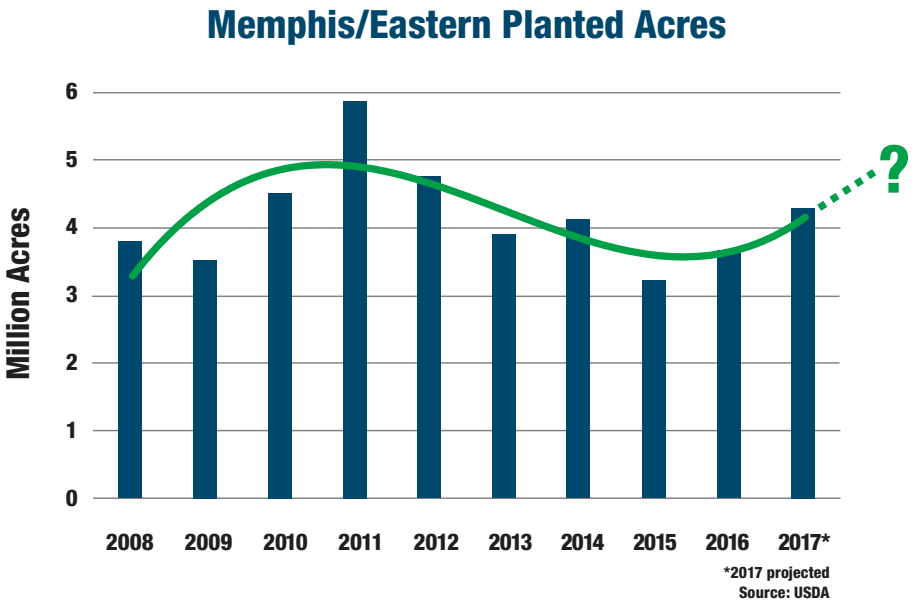
A Message from the President

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, Robertsdale
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 Burleson, 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, Burleson
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.



Darrington Seward on left, with his father Byron at their farming headquarters.

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 Sewards 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 Sewards in terms of sustainability as well. Byron has always

Continued on back page

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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!

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