

Cotton dethroned as king of South Texas crops

December 19 2013, by Rod Santa Ana



Cotton modules await ginning at the Port of Harlingen. Experts say quarter million acre cotton crops in extreme South Texas are a thing of the past. Credit: AgriLife Communications photo by Rod Santa Ana

The days of quarter-million acre cotton crops in extreme South Texas are a thing of the past, according to Texas A&M AgriLife Extension Service experts.

"Unless things change drastically, the days of 200,000 to 300,000 acre

cotton crops here in the Lower Rio Grande Valley are long gone," said Dr. Luis Ribera, an agricultural economist at the Texas A&M AgriLife Research and Extension Center at Weslaco.

The conditions Ribera refers to are drought, the preference of growers to plant grain sorghum and uncertainties in the world cotton market due to China's huge and unpredictable influence.

"Cotton down here will never go away completely because it's a rotation crop for grain sorghum," he said. "Among other things, cotton as a rotation crop helps growers manage weeds in their sorghum crops, and vice versa. Unless a better rotation crop is found, cotton will still be grown here."

Growers in the four-county Valley planted a meager 88,772 acres of cotton in 2013, but harvested only 38,348 acres, according to figures supplied by the Texas Boll Weevil Eradication Foundation.

"Only 43 percent of the 2013 crop was harvested, mostly on irrigated land," Ribera said. "The rest was lost to drought. Mexico delivered some of the water owed to the U.S., but not much. With reservoirs at Falcon and Amistad lakes at only about 40 percent of capacity, there's a lot of uncertainty going into next year's cotton crop, especially about what China will do."

Uncertainty means fewer acres planted, Ribera said. Despite July futures prices hovering at a "good" 82 cents per pound of lint, those prices could be artificial, leaving growers fearful the bottom could fall out at any second.

"The cotton market is now less about supply and demand, and more about what China does or doesn't do," he said. "They are the world's largest producer, importer and consumer of cotton, so what they do

affects cotton growers everywhere."

China is currently buying up cotton, which is driving the price per pound higher, and storing it in huge amounts.

"The world's stock-to-use ratio of cotton is currently over 80 percent," Ribera said. "That's huge; it's usually much lower. In fact, I've never seen it higher than in the 60 percent range. China has the lion's share of that; more than half of that stored cotton is in China and they continue to buy."

But if they suddenly stop buying up lint, or decide to release their stockpile, the world price of cotton could plummet.

"So, the question is, how long will China keep buying?" he said. "The good news is they have internal pressures to continue buying because if they stop, the price drop would hurt their own farmers. So, they want the price to remain high. But how long can they keep it up there?"

Ribera thinks cotton growers today are still paying for the abnormally high price cotton was fetching in 2011.

"The price of cotton in 2010-2011 hit \$2 per pound," he said, "which signaled the need for more cotton and the desire of growers to cash in, so more cotton was planted. That led to overproduction, lots of stored cotton and a price drop that's only being propped up by China's current buying spree."

The Valley has not seen a return to historically high-acreage [cotton crops](#) since 2006 when 72 percent of the area's 255,000 acre crop was lost to drought, Ribera said. Crops have generally stayed under 100,000 acres since then, except for 2011 when prices hit \$2 and 196,000 acres were planted, and last year when 137,000 acres were planted.

Danielle Sekula, an AgriLife Extension cotton integrated pest management entomologist in Weslaco, said recent rains in the Valley could boost cotton acreage this year, especially nearer the Gulf Coast.

"Even though there is a lot of uncertainty among growers due to water shortage," she said, "I think with the moisture we've received recently, we're likely to see more [cotton](#) acreage planted this year than last, especially in Willacy County."

Provided by Texas A&M University

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