



## Dynamics of Modern Cotton Storage

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ALTUS, Ok.--Dynamic means energetic and vigorous. It also uniquely describes activities that have been going on at the Oklahoma Cotton Cooperative Compress Assn. headquartered at Altus, Ok.

A division of the Plains Cotton Cooperative Assn. at Lubbock, Tx., the Cooperative Compress has seen some really vigorous activity during the last three years, according to Assn. manager, Jay Cowart.



"Our facility at Altus was built in 1963," Cowart explained, "it was the result of the Oklahoma Cotton Cooperative Assn. and the Plains Cotton Cooperative Assn. joining together to improve cotton storage and marketing."

The last building construction at the Altus site occurred in 1980, he said. And the most cotton stored at the Altus warehouse was 383,000 bales in 1982. In the 1990s, cotton production declined seriously mainly due to depredations of the boll weevil. Today, a country-wide weevil eradication program has made cotton once more a profitable crop to grow.

Three years ago, 379,000 bales were stored at the Altus site, Cowart said.

"In 2004, we received 510,000 bales. For the 2005 crop year, we have handled 656,000 bales. These three years of successive bumper crops have given us some unusual problems."

Coward explained the new frontier of cotton production in northern Oklahoma and Kansas caused the Assn. to build a new warehouse at Liberal, Ks. in 2004. Even more cotton grown in that area caused more building construction at the Liberal facility, he said.

To take care of the cotton produced in western Oklahoma and north Texas, another facility had to be leased at Memphis, Tx. And to handle the sheer volume of cotton they were receiving during the cotton harvest, they rented temporary sites at Frederick.

So, if one site, the one at Altus, has a capacity of only 350,000 bales, how did they handle the 415,000 bales they received last winter?

This is where the dynamics of the trade comes in, Cowart said. "All three sites at Altus, Memphis and Liberal have been shipping cotton at full capacity since January and I expect we will keep on doing this until either late May or early June." U. S. cotton is being sold overseas at a fast pace. Cotton that arrives from gins at the storage warehouses quickly finds its way on trucks heading west to seaports, Cowart explained.

"Cotton milling in this country has fallen from around 11 million bales a year to about six million," he said. "The majority of the cotton we receive in our three warehouses is shipped from West Coast harbors to East Asia. Almost all of the cotton we sell today goes to mills in China."

To facilitate shipping the cotton bales, Cowart explained, each bale receives a bar code identity tag. When a shipment of cotton of similar quality is put together to be shipped to Los Angeles, Calif., Cowart explained, warehouse employees, using an electronic device, can readily put together a load of cotton of the type demanded by the buyer.

Cotton farmers can borrow money from the Commodity Credit Corporation, using cotton as collateral. It is stored in facilities like the one at Altus. The USDA requires cotton used in these loan programs to be insured and demands the cotton be stored in clean storage facilities with fire protection.

With their current wheat crop suffering from major drought conditions, with adequate rainfall, area farmers are expected to plant even more cotton in 2006. This factor, plus intentions of farmers to grow more cotton under normal conditions, makes Cowart expect 2006-07 will be even "more dynamic than 2005-06."

