

Cotton Ginning Charges, Harvesting Practices, and Selected Marketing Costs, 1985/86 Season

ERS Staff Report
AGES860807
August 1986



United States
Department of
Agriculture

Economic
Research
Service

National
Economics
Division

Edward H. Glade and Mae Dean Johnson*

GINNING CHARGES

The average charge for saw-ginning and wrapping a 480-pound net-weight bale of upland cotton in the United States was \$44.86 during the 1985/86 season, compared with \$45.64 per bale during 1984/85. The lower average charge for the 1985/86 season primarily reflects sharply lower cottonseed prices, continued low prices of cotton lint, and slight declines in the volume of seed cotton required to yield a 480-pound net-weight bale.

Average charges varied from a low of \$36.59 per bale in Mississippi to a high of \$54.26 in New Mexico. Charges decreased in nine States, but increased in five other States. The largest declines occurred in Texas and Missouri where average charges fell \$2.30 and \$2.10 per bale, respectively. New Mexico and Alabama had the largest increases with charges up \$2.41 and \$1.49 per bale, respectively. Charges for ginning American-Pima cotton are estimated at \$61 per bale during 1985/86, an increase of \$1 from a year earlier.

ACTIVE GINS

There were a total of 1,772 active cotton gins operating during the 1985/86 season, 85 gins less than during the 1984/85 season. The number of gins declined in each State, except Georgia. The largest drop was in Texas where the number of gins fell to 601 in 1985/86 from 629 a year earlier.

A slightly larger 1985 cotton crop in combination with fewer gins resulted in an average volume per gin of 7,231 bales, an 8-percent improvement over 1984/85. Gin volumes varied from an average low of 2,032 bales in New Mexico to a high of 18,687 in California.

METHOD OF HARVESTING

The proportion of the 1985 cotton crop harvested by the machine-picking method averaged 77 percent, 1 percentage point above that for the 1984/85 season. Machine-stripping was used primarily in Texas, Oklahoma, and New Mexico and accounted for 22 percent of the overall volume harvested. Machine-scraping (gleaning from the ground) accounted for the remaining 1 percent of the volume harvested, the same percentage as a year earlier.

* Economist and Economic Assistant, respectively, Crops Branch, National Economics Division, Economic Research Service, U.S. Department of Agriculture.

Average charges for saw-ginned upland cotton, average
and related information, by St

Item	Unit	U.S.	Ala.	Ariz.	Ark.	Calif.
Bales ginned <u>1/</u> (running bales)	Thou.	12,814	517	863	686	3,046
Active gins <u>2/</u>	No.	1,772	84	91	132	163
Average volume per gin (running bales)	No.	7,231	6,155	9,484	5,197	18,687
Ginning and wrapping charges:						
Total charge per 480-lb. net- weight bale <u>3/</u>	Dol.	44.86	37.76	40.70	38.94	48.91
Method of harvesting:						
Machine-picked	Pct.	77	100	97	100	99
Machine-stripped	Pct.	22	---	<u>4/</u>	---	<u>4/</u>
Machine-scraped	Pct.	1	<u>4/</u>	3	<u>4/</u>	<u>4/</u>
Weight of seed cotton per 480-lb. net-weight bale:						
Machine-picked	Lbs.	1,515	<u>5/</u>	1,515	1,439	1,539
Machine-stripped	Lbs.	2,136	---	<u>6/</u>	<u>6/</u>	<u>6/</u>
Machine-scraped	Lbs.	2,094	---	1,823	1,620	<u>6/</u>
Cotton ginned from:						
Trailers	Pct.	61	93	39	96	49
Modules	Pct.	39	7	61	4	51
Charges for warehousing and related services: <u>7/</u>						
Charge per bale for receiving	Dol.	2.44	2.96	<u>8/</u>	2.40	<u>8/</u>
Charge per bale per month for insured storage	Dol.	1.58	1.54	1.90	1.53	1.80
Charge per bale for compressing to universal density	Dol.	6.81	6.33	5.80	7.76	6.02
Charge per bale for outhandling	Dol.	5.01	4.06	4.20	7.38	4.87

--- = 0. 1/ Based on report of March 1986 by Bureau of the Census, but excluding excluded are 22,000 bales ginned in Fla. and Kan. 2/ Based on Bureau of the Census lint cleaning, and insurance, but does not reflect any patronage dividends, rebates, classing fees. 4/ Less than 0.5 percent. 5/ Seed cotton usually not weighed. 6/ charges not available.

ge charges for selected marketing services,
State, 1985/86 season

	Ga.	La.	Miss.	Mo.	N. Mex.	N.C.	Okla.	S.C.	Tenn.	Tex.
	360	735	1,603	199	63	113	272	167	403	3,787
	61	89	237	50	31	36	71	49	74	601
	5,902	8,258	6,764	3,980	2,032	3,139	3,831	3,408	5,446	6,301
	42.89	38.46	36.59	37.39	54.26	45.42	48.57	42.97	38.78	50.18
	99	98	98	100	61	99	8	100	92	32
	---	<u>4/</u>	<u>4/</u>	---	36	<u>4/</u>	92	---	6	68
	1	2	2	---	3	1	<u>4/</u>	---	2	---
	<u>5/</u>	1,417	1,521	1,486	1,507	<u>5/</u>	1,575	1,475	1,453	1,531
	---	<u>6/</u>	<u>6/</u>	---	2,045	---	2,083	---	1,988	2,265
	---	<u>6/</u>	<u>6/</u>	---	2,183	---	<u>6/</u>	---	1,905	---
	82	93	85	100	70	100	79	100	99	37
	18	7	15	---	30	---	21	<u>4/</u>	1	63
	2.63	3.05	2.46	1.50	1.68	2.07	2.00	2.11	1.09	2.43
	1.51	1.81	1.63	1.50	1.53	1.21	1.32	1.29	1.50	1.34
	---	6.71	7.55	7.60	6.85	---	7.10	---	5.95	7.26
	4.17	7.14	7.35	7.07	4.50	2.50	3.70	2.45	6.60	3.75

ing all American-Pima and upland cotton ginned on roller gins. Also
ensus information. 3/ Includes bagging and ties, drying of seed cotton,
tes, transportation to warehouses, industry organization dues, or cotton
6/ No data available. 7/ Based on published tariffs. 8/ Separate

The use of modules as a method of temporary field storage of seed cotton has continued to increase in most cotton-producing States. For the 1985/86 season, approximately 39 percent of the crop was ginned from modules, compared with 36 percent during 1984/85. Modules are the primary method of seed cotton assembly in Texas, Arizona, and California, and use of this equipment is growing in Oklahoma, Mississippi, and parts of Georgia.

POUNDS OF SEED COTTON REQUIRED FOR A 480-POUND NET-WEIGHT BALE

For the 1985/86 season, approximately 1,515 pounds of harvested seed cotton were required to yield a 480-pound net-weight bale of cotton under the machine-picked method, 2 pounds less than the 1984/85 average.

However, under the machine-stripped method, 2,136 pounds were required, compared with 2,271 pounds during 1984/85. Lower seed cotton weights in 1985/86 contributed to the generally lower ginning charges for States where extensive machine-stripping is practiced. Cotton harvested by machine-scraping required 2,094 pounds of seed cotton for each 480-pound net-weight bale in 1985/86, about 235 pounds more than the previous season.

SELECTED MARKETING SERVICES

After ginning, most cotton bales are moved directly to local warehouses for storage and other services necessary for marketing. For the 1985/86 season, charges for the four primary cotton warehousing functions increased only slightly over 1984/85 charges.

Warehouse receiving charges averaged \$2.44 per bale during the 1985/86 season, 3 cents above a year ago. Storage charges averaged \$1.58 per bale per month during 1985/86, compared with \$1.51 in 1984/85. Charges for compressing bales to universal density increased 24 cents per bale to an average of \$6.81 in 1985/86. Warehouse charges for outhandling services at time of shipment to mills or ports averaged \$5.01 per bale for 1985/86, 3 cents above a year earlier.

* * * * *

For more information, call Edward H. Glade, Jr., (202) 786-1840, or write: National Economics Division, ERS, U.S. Department of Agriculture, Room 1034, 1301 New York Avenue, NW., Washington, D.C. 20005-4788.