

# Cotton Ginning Charges, Harvesting Practices, and Selected Marketing Costs, 1987/88 Season

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## GINNING CHARGES

The average charge for saw-ginning and wrapping a 480-pound net-weight bale of upland cotton in the United States was \$45.82 during the 1987/88 season, an increase of only 91 cents from 1986/87. The very large 1987 cotton crop enabled many gins to keep charges around year-earlier levels. The largest declines occurred in Alabama and California, where average charges dropped 19 cents and 18 cents per bale, respectively. New Mexico and Arizona had the largest increases with charges up \$2.51 and \$1.53 per bale, respectively.

In Texas, 1987/88 charges averaged \$53.81 per bale, an increase of 89 cents from last season. While most Texas gins did not increase their base charge, a larger proportion of the crop was harvested by machine-stripping, which requires a larger volume of seed cotton to be ginned per 480-pound bale, generally at a higher cost to the producer.

## ACTIVE GINS

There were a total of 1,653 active cotton gins operating during the 1987/88 season, a decline of only 9 gins from 1986/87. Gin numbers dropped slightly in eight States, remained unchanged in four States, but increased in two States. The largest drop was in Mississippi where the number of gins fell to 217 in 1987/88 from 223 last year. In Texas, gin numbers increased for the first time in many years, totaling 551 gins in 1987/88 compared with 545 gins last year. Sharply higher U.S. cotton production in 1987/88 was primarily responsible for the stability in the number of active gins during the season.

The average volume of cotton processed per gin was up significantly during 1987/88. The 55-percent larger crop resulted in an increase in average gin volume to 8,505 bales in 1987/88, compared with only 5,545 bales last season. Gin volumes varied from an average of 2,149 bales in South Carolina to a high of 20,257 in California.

## METHOD OF HARVESTING

The proportion of the 1987 cotton crop harvested by the machine-picking method averaged 71 percent, 8 percentage points below that for the 1986/87 season. Machine-stripping, used mainly in Texas, Oklahoma, and New Mexico, accounted for 28 percent of the overall volume harvested. A large increase in the volume of the Texas crop harvested by strippers accounted for most of the increase in beltwide volume harvested by this method. Machine-scraping (gleaning from the ground) is now practiced in most cotton-producing States, and represented about 1 percent of the volume harvested during 1987/88.

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

Item	Unit	U.S.	AL	AZ	AR	CA
Bales ginned <u>1/</u> (running bales)	Thou.	14,058	386	796	885	2,917
Active gins <u>2/</u>	No.	1,653	82	84	128	144
Average volume per gin (running bales)	No.	8,505	4,707	9,476	6,914	20,257
Ginning and wrapping charges:						
Total charge per 480-lb. net- weight bale <u>3/</u>	Dol.	45.82	36.85	40.31	38.72	48.44
Method of harvesting:						
Machine-picked	Pct.	71	100	96	100	100
Machine-stripped	Pct.	28	---	---	---	---
Machine-scrapped	Pct.	1	<u>4/</u>	4	<u>4/</u>	---
Weight of seed cotton per 480-lb. net-weight bale:						
Machine-picked	Lbs.	1,490	<u>5/</u>	1,460	1,450	1,508
Machine-stripped	Lbs.	2,392	---	---	---	---
Machine-scrapped	Lbs.	1,857	---	1,952	---	---
Cotton ginned from:						
Trailers	Pct.	49	70	29	92	24
Modules	Pct.	51	30	71	8	76
Charges for warehousing and related services: <u>7/</u>						
Charge per bale for receiving	Dol.	2.63	2.92	---	2.63	---
Charge per bale per month for insured storage	Dol.	1.64	1.58	2.05	1.64	1.84
Charge per bale for compressing to universal density	Dol.	7.37	6.50	5.75	7.60	6.20
Charge per bale for outhandling	Dol.	5.17	4.51	4.35	7.48	4.75

--- = 0. 1/ Based on report of March 1988 by Bureau of the Census, but excluding excluded are 27,000 bales ginned in FL and KS. 2/ Based on Bureau of the Census Kansas. 3/ Includes bagging and ties, drying of seed cotton, lint cleaning, and transportation to warehouses, industry organization dues, or cotton classing fees. 6/ No data available. 7/ Based on published tariffs.

average charges for selected marketing services,  
by State, 1987/88 season

CA	GA	LA	MS	MO	NM	NC	OK	SC	TN	TX
2,917	334	981	1,697	321	78	95	335	101	632	4,500
144	60	84	217	50	28	36	69	47	70	551
20,257	5,567	11,679	7,820	6,420	2,786	2,639	4,855	2,149	9,029	8,167
48.44	42.53	37.41	37.64	41.25	55.31	45.72	50.60	43.04	34.80	53.81
100	100	99	99	100	84	100	15	100	99	17
---	---	---	---	<u>4/</u>	11	---	85	---	<u>4/</u>	83
---	---	1	1	---	5	<u>4/</u>	<u>4/</u>	---	1	<u>4/</u>
1,508	<u>5/</u>	1,411	1,467	1,507	1,566	1,403	1,683	1,432	1,450	1,588
---	---	---	---	1,950	2,350	---	2,155	---	1,800	2,410
---	---	<u>6/</u>	1,750	---	<u>6/</u>	<u>6/</u>	<u>6/</u>	---	1,650	<u>6/</u>
24	67	84	68	96	89	100	70	100	88	28
76	33	16	32	4	11	---	30	<u>4/</u>	12	72
---	2.84	3.38	2.70	2.57	1.58	2.49	2.05	2.19	2.62	2.47
1.84	1.50	1.92	1.68	1.58	1.56	1.31	1.46	1.33	1.60	1.39
6.20	---	7.31	7.80	7.70	7.25	---	7.50	---	7.80	8.20
4.75	4.27	7.35	7.13	7.54	4.42	2.72	4.10	2.91	7.24	3.75

excluding all American-Pima and upland cotton ginned on roller gins. Also  
Census information, and includes 3 active gins in Florida, and one in  
ing, and insurance, but does not reflect any patronage dividends, rebates,  
ing fees. 4/ Less than 0.5 percent. 5/ Seed cotton usually not weighed.

The use of modules as a method of temporary field storage of seed cotton continues to increase, and for the first time accounted for over half of all ginnings during 1987/88. Approximately 51 percent of the crop was ginned from modules this season, compared with 45 percent in 1986/87, and only 36 percent 5 years earlier.

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

For the 1987/88 season, an average of about 1,490 pounds of seed cotton were required to yield a 480-pound net-weight bale under the machine-picked method of harvest, only 3 pounds more than in 1986/87. Seed cotton requirements varied from a high of 1,683 pounds in Oklahoma to a low of 1,403 pounds in North Carolina.

Significantly improved growing and harvesting conditions, particularly in Texas, caused the average volume of seed cotton required for a 480-pound bale under the machine-stripping method to decline. For 1987/88, an average of 2,392 pounds of seed cotton were needed, compared with 2,460 pounds last season. Cotton harvested by machine-scraping required 1,857 pounds of seed cotton for each 480-pound net-weight bale in 1987/88, about 4 pounds less than a year ago.

#### SELECTED MARKETING SERVICES

After ginning, most cotton bales are moved directly to local warehouses for storage and other services necessary for marketing. For the 1987/88 season, charges for the four primary cotton warehousing functions changed very little over 1986/87 charges.

Warehouse receiving charges averaged \$2.63 per bale during the 1987/88 season, 23 cents above a year ago. Storage charges averaged \$1.64 per bale per month during 1987/88, compared with \$1.62 in 1986/87. Charges for compressing bales to universal density increased 19 cents per bale to an average of \$7.37 in 1987/88. Warehouse charges for outhandling services at time of shipment to mills or ports averaged \$5.17 per bale for 1987/88, 4 cents below a year ago.

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