



Cotton Ginning Charges, Harvesting Practices, and Selected Marketing Costs, 1991/92 Season

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January 1993

Ginning Charges

The average charge for saw-ginning and wrapping a 480-pound net-weight bale of cotton in the United States was \$42.61 during the 1991/92 season, \$1.07 below the average charge in 1990/91. The lower average charge reflects sharply larger cotton production in recent years, and efforts by the industry to share the benefits of higher gin volumes where possible. Average charges declined in seven States and increased in seven States. The largest decline in ginning charges occurred in Mississippi, where average charges fell by \$1.81 a bale, while North Carolina experienced the largest increase with average charges up \$1.25 a bale. For most other States, 1991/92 ginning charges remained around year-earlier levels (fig. 1).

In Texas, where charges are based primarily on the volume of seed cotton processed, charges and seed cotton requirements to yield a 480-pound-net-weight bale increased about 1 percent from the previous season. Texas ginning charges averaged \$48.93 per bale in 1991/92, compared with \$48.47 in 1990/91. The volume of Texas seed cotton increased about 30 pounds for machine-picked cotton, and declined about 11 pounds

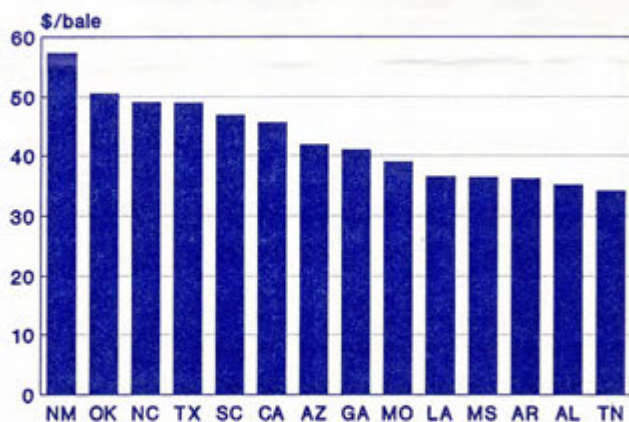
for machine-stripped cotton and 50 pounds for machine-scrapped cotton during the 1991/92 season.

Active Gins

There were a total of 1,500 active cotton gins operating in the 14 primary cotton-producing States during 1991/92, compared with 1,533 the previous season. In addition, three gins operated in Florida, one in Kansas, and one in Virginia. Sharply larger cotton crops the past few seasons have helped moderate the long-term decline in gin numbers. The largest decline occurred in Texas where 22 fewer gins operated in 1991/92, compared with a year earlier. Gin numbers increased in both North and South Carolina.

The average volume processed per gin increased 16 percent to 11,372 bales in 1991/92, compared with 9,810 bales last season, and 7,096 bales during 1989/90. The much-improved utilization rates of recent years have helped to keep increases in ginning costs down and have enabled many gins to maintain charges to growers at a constant level. Gin volumes varied from a high of 20,953 bales in California to a low of 3,000 bales in New Mexico.

Figure 1
Ginning charges by State, 1991/92



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Method of Harvesting

The proportion of the 1991/92 cotton crop harvested by the machine-picked method averaged 79 percent, an increase of 6 percentage points from the 1990/91 season. Machine-stripping, used primarily in Texas, Oklahoma, and New Mexico, accounted for 21 percent of the overall harvested volume, compared with 27 percent in 1990/91. Lower 1991/92 production in these three States and larger production elsewhere were responsible for the increase in the machine-picking share during 1991/92. Machine-scraping (gleaning from the ground) continues to be used in 10 of the 14 cotton-producing States, but still accounts for less than 0.5 percent of the volume harvested.

The use of modules as a method of temporary storage of seed cotton has been established in every cotton-producing State. A record 63 percent of the 1991/92 cotton

Average charges for saw-ginned upland cotton, average charges for selected marketing services, and related items

Item	Unit	U.S.	AL	AZ	AR	CA
Bales ginned ¹	Thou.	17,058	543	1,018	1,528	2,640
Active gins ²	No.	1,500	70	85	138	126
Average volume per gin (running bales)	No.	11,372	7,758	11,977	11,073	20,953
Ginning and wrapping charges:						
Total charge per 480-lb. net-weight bale ³	Dol.	42.61	35.10	41.88	36.20	45.54
Method of harvesting:						
Machine-picked	Pct.	79	100	96	100	100
Machine-stripped	Pct.	21	---	---	---	---
Machine-scraped	Pct.	⁴	⁴	⁴	---	⁴
Weight of seed cotton per 480-lb. net-weight bale:						
Machine-picked	Lbs.	1,466	⁵	1,452	1,458	1,484
Machine-stripped	Lbs.	2,185	---	---	---	---
Machine-scraped	Lbs.	1,795	---	1,801	---	⁶
Cotton ginned from:						
Trailers	Pct.	37	37	27	51	18
Modules	Pct.	63	63	73	49	82
Charges for warehousing and related services: ⁷						
Charge per bale for receiving	Dol.	2.88	3.08	---	3.29	1.88
Charge per bale per month for insured storage	Dol.	1.80	1.72	1.99	1.94	1.86
Charge per bale for compressing to universal density	Dol.	7.77	7.00	6.25	7.85	6.50
Charge per bale for outhandling	Dol.	5.92	5.22	4.87	8.21	5.14

--- = Zero.

¹Based on report of June 1, 1992, by Bureau of the Census, and includes both American-Pima and upland cotton.

²Based on Bureau of Census information; excludes three active gins in Florida, one in Kansas, and one in Virginia.

³Includes bagging and ties, drying of seed cotton, lint cleaning, and insurance, but does not reflect any patronage organization dues, or cotton classing fees.

⁴Less than 0.5 percent.

⁵Seed cotton usually not weighed.

⁶No data available.

⁷Based on published tariffs.

and information, by State, 1991/92 season

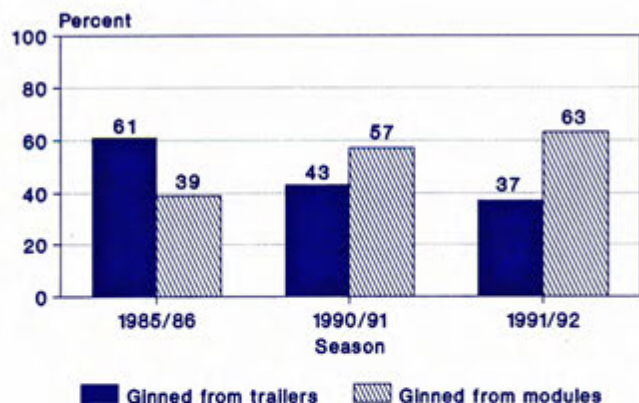
GA	LA	MS	MO	NM	NC	OK	SC	TN	TX
702	1,422	2,216	415	66	634	231	328	689	4,626
58	85	181	45	22	45	61	43	69	472
12,103	16,730	12,243	9,223	3,000	14,089	3,787	7,628	9,986	9,801
41.04	36.54	36.39	38.95	57.33	49.06	50.47	46.90	34.19	48.93
100	100	99	99	60	100	16	100	100	28
---	---	---	---	40	---	84	---	4	72
4	4	1	1	4	---	---	4	---	4
5	1,426	5	1,483	1,552	5	1,575	5	1,455	1,491
---	---	---	---	2,025	---	2,212	---	6	2,184
---	1,583	---	1,680	6	---	---	---	---	1,875
48	49	49	47	62	75	58	89	75	17
52	51	51	53	38	25	42	11	25	83
2.90	4.07	3.52	2.36	1.86	3.27	2.28	2.61	3.49	2.57
1.61	2.07	2.01	1.90	1.70	1.40	1.58	1.50	1.96	1.60
---	7.75	8.50	7.75	7.25	---	7.50	---	8.25	8.50
4.74	8.12	8.43	8.05	4.50	2.83	3.65	4.15	8.37	4.34

and cotton. Excludes bales ginned in Florida, Kansas, and Virginia.

Virginia.

patronage dividends, rebates, transportation to warehouses, industry

Figure 2
Use of modules grows



crop was ginned from modules (fig. 2). The remaining 37 percent was ginned from traditional seed cotton trailers. In contrast, only 39 percent of the 1985 crop was ginned from modules and 61 percent from trailers. By State, use of modules ranged from 83 percent of the crop in Texas to 11 percent in South Carolina during 1991/92.

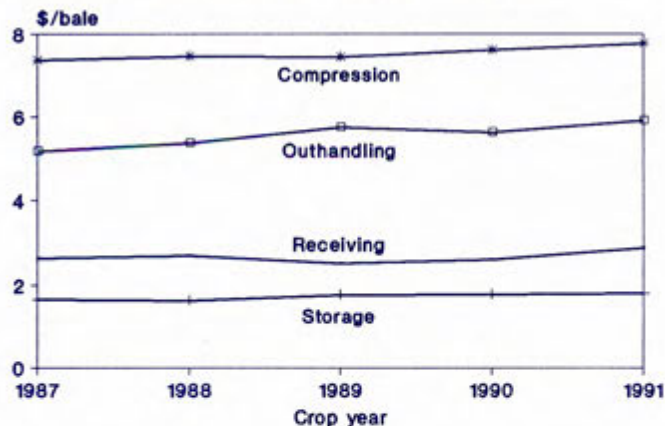
Pounds of Seed Cotton Required for a 480-Pound Net-Weight Bale

The average volume of seed cotton necessary to yield a 480-pound net-weight bale for each of the three harvesting technologies changed only slightly during 1991/92, compared with a year earlier. Under the machine-picked method of harvest, 1,466 pounds of seed cotton were required--down only 2 pounds from 1990/91. Cotton harvested by machine-scraping required 2,185 pounds of seed cotton per 480-pound bale in 1991/92, compared with an average of 2,187 pounds the previous season. Machine-stripping required that an average of 1,795 pounds of seed cotton be gleaned from the ground to yield a standard 480-pound bale of lint during 1991/92, 59 pounds less than in 1990/91.

Selected Marketing Services

After ginning, cotton bales are usually moved directly to local warehouses for storage and other services neces-

Figure 3
Average charges for warehousing services



sary for marketing. Most gins, however, have installed universal density compression equipment, making traditional warehouse compression unnecessary when receiving bales from these gins. Warehouse charges in these cases reflect a compression rebate paid to the gin by the warehouse receiving bin-compressed universal density bales.

Charges for the four primary warehousing services in 1991/92 changed moderately from year-earlier levels (fig. 3). Warehouse receiving charges averaged \$2.88 a bale during 1991/92, up 28 cents from the 1990/91 season average. Storage charges averaged \$1.80 per bale per month, compared with \$1.77 in 1990/91. Charges for compressing cotton to universal density increased 15 cents a bale to an average of \$7.77 in 1991/92. Warehouse charges for outhandling services at time of shipments to mills or ports averaged \$5.92 per bale for 1991/92, up 30 cents from the year-earlier level.

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