

COTTON GINNING, HANDLING, AND MARKETING
Southeast Region

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COTTON GINNING, HANDLING, AND MARKETING

Southeast Region

Joseph L. Ghetti and W. C. McArthur^{1/}

The number and geographical distribution of cotton producers have changed markedly in the Southeast region the last several years. While production in the region is small relative to most other areas, the region contains several important pockets of production. These changes have greatly influenced the several services performed in the marketing process. This report contains information on cotton ginning, handling, and marketing for the Southeast region (figure 1).

Cotton Varieties and Grades

Varieties of Cotton Grown

Coker varieties dominate cotton plantings in all areas of the region except the Limestone Valley. In this area, Stoneville and Deltapine varieties accounted for about 75 percent of the planted acreage in 1976. Other varieties such as McNair, Dixie King, and Auburn 56 account for a small percentage of the planted acreage.

Cotton Grades Produced

The quality of cotton produced in the region is quite high but varies from area to area. For example, about 80 percent of the 1976 crop in the NE Upland area fell in the white grade designations compared with about 64 percent in the SE Upland area. Strict Low Middling and Low Middling

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SOUTHEAST REGION PRODUCTION AREAS

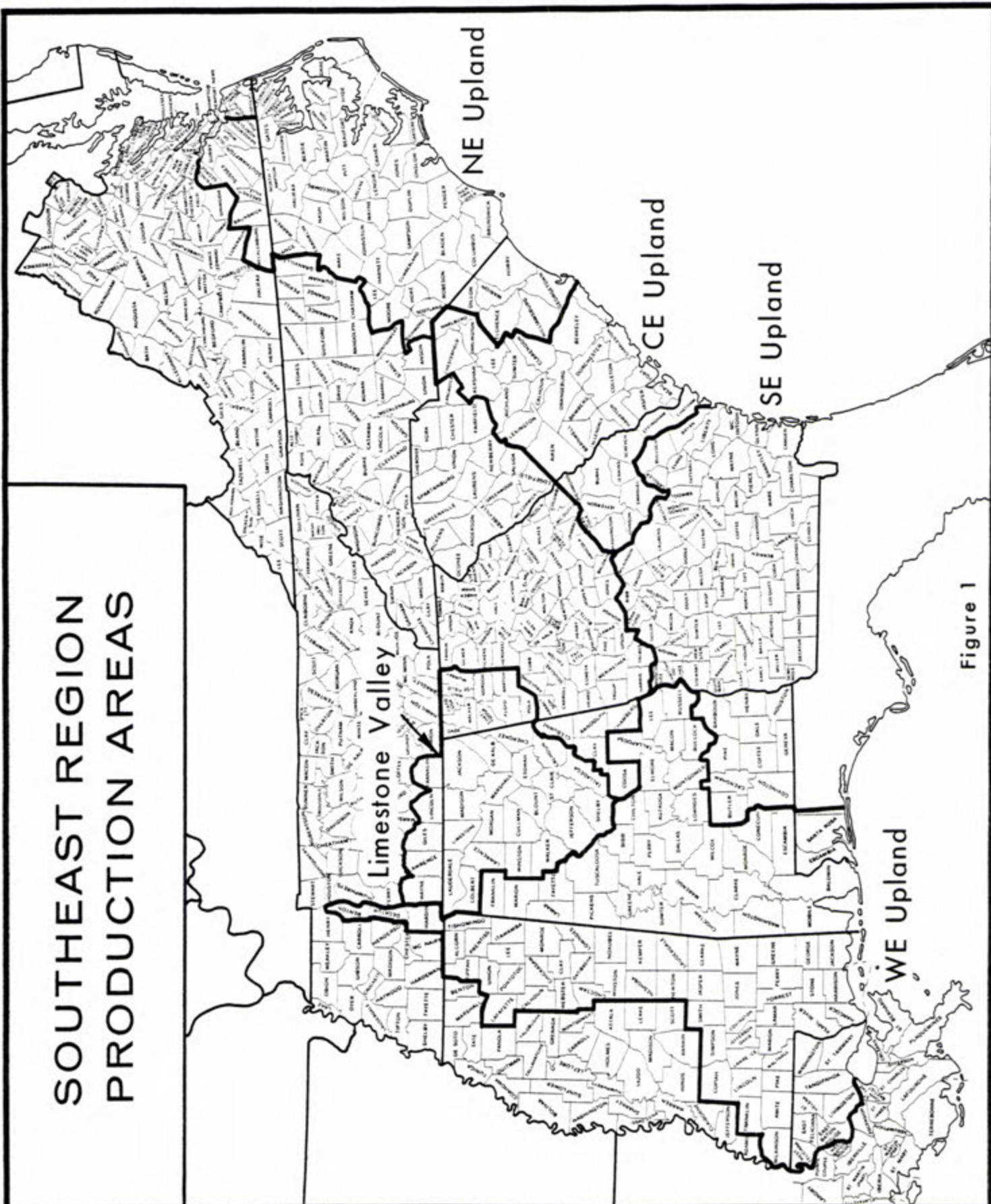


Figure 1

grades account for the largest proportion of cotton in both the white and light spotted classifications in all areas.

Most cotton in the region falls in three staple classifications-- 1-1/32 inches (33), 1-1/16 inches (34), and 1-3/32 inches (35). Over 90 percent of the 1976 crop in the region stapled 1-1/32 inches (33) or more. And over 90 percent of the crop that year measured within the 3.5 to 4.9 micronaire no discount range for fiber fineness.

Seed Cotton Harvesting and Handling

Cotton Harvest

Cotton planting usually begins about April 10 in the southern part of the region and extends to late May in the northern areas. Harvest usually begins in mid to late September. Virtually all cotton in the region is machine picked.

Cotton Handling

Trailers are the primary means of transporting seed cotton to the gin from the field. Most trailers have a capacity of four to six bales. A few producers with large acreages use trailers with a 10-bale capacity.

The use of module builders is not a common practice in most parts of the region. In the Mississippi portion of the region, the module builder is becoming more important in transporting cotton to the gin. In this area where gins are quite widely dispersed, the module system facilitates continuous cotton harvest operations. Module storage also is being used on a limited basis in the Limestone Valley.

Cotton Ginning

Cotton ginning usually begins about the middle of September and extends into the winter. The peak ginning season normally occurs between the middle of October and the first of November.

Number of Gins and Volume

Many inactive or idle gins characterize the ginning industry in the Southeast region. The proportion of inactive gins in 1974-75 ranged from about 17 percent of the total in the Limestone Valley to 28 percent in NE Upland (table 1). The number of gins becoming inactive or dismantled is expected to increase in the years ahead as cotton production continues its decline in the region.

NE Upland.--Of the 93 gins in the area, only 67 were active in 1974 (table 1). The North Carolina portion of the area accounted for about 78 percent of the ginnings, South Carolina 21 percent, and Virginia 1 percent.

Table 1. Number of gins in 1974 and bales of cotton ginned in 1974 and 1975 by areas, Southeast region

Area	: Number of gins (1974) :			Bales ginned		
	:Active	Idle	Total	: Total		: Average
				: 1974	: 1975	: 1974
NE Upland	67	26	93	116,866	42,705	1,744
CE Upland	106	28	134	241,113	85,464	2,275
SE Upland	85	22	107	206,321	77,554	2,427
WE Upland	148	34	182	252,763	119,651	1,708
Limestone Valley	118	24	142	297,930	177,047	2,525
Region totals	524	134	658	1,114,993	502,421	2,128

Source: U.S. Department of Commerce, Bureau of the Census. Cotton Ginnings in the United States.

The inactive gins are not expected to be activated under present conditions because of the need for extensive repairs and the continuing decline of cotton production in most of the area. Moreover, a number of the marginal firms may be expected to cease operation in the smaller producing counties.

The 67 active gins have a combined capacity of 340 bales per hour or 308,040 bales per 906-hour ginning season. The average hourly capacity is 5.1 bales and gin capacity ranges from 2.5 to 20.4 bales per hour.

Automatic sampling equipment is not used in the region and gins have not modified their bale presses since much of the cotton is shipped directly to mills and over relatively short distances.

Total ginnings during the 1974-75 season were 116,866 bales compared with 42,705 bales in 1975-76. Average volume per gin was 1,744 bales in 1974-75.

CE Upland.--Of the 134 gins in this area, 106 operated in 1974 (table 1). In addition, the number of inactive plants is expected to increase still further in the future. Most of the presently inactive plants are not likely to become operational again because of the need for repairs and declining cotton production. Also some of the plants are used as spare parts depots.

The most common size of gin in the area has four 80 or 90 saw stands, each having 12-inch saws. The 106 active plants have a combined capacity of 1,317 bales per hour, or 1,193,202 total bales per 906-hour season. Individual gin capacity ranges from 3.4 to 22.4 bales per hour.

Automatic sampling equipment is not used in the area and gins have not modified their presses since much of the cotton is shipped to local mills.

Total ginnings during the 1974-75 season were 241,113 bales compared with 85,464 bales in 1975-76. Average volume per gin was 2,275 bales in 1974-75.

SE Upland.--Of the 107 gins in this area, only 85 operated in 1974 (table 1). The number of inactive gins in the area also is expected to increase in the future because of the need for repair and the declining volume of business. Some of the plants in this area also are used as spare parts depots.

Forty-five of the Georgia counties have gin facilities while 29 counties have no plants. Most of the production and ginning is located in a core of counties including Colquitt, Crisp, Turner, Bleckley, Dooly, and Pulaski.

The most common size of gin in the area has four 80 or 90 saw stands, each having 12-inch saws. The 107 active plants have a combined capacity of 776 bales per hour, or 703,056 bales per 906-hour ginning season. The average hourly capacity is 7.2 bales and gin capacity ranges from 3.0 to 27.0 bales per hour.

Automatic sampling equipment is not used in the area. Gins here too have not modified their presses as much of the cotton is shipped to local mills.

Total ginnings during the 1974-75 season were 206,321 bales compared with 77,554 bales in 1975-76. Average volume per gin was 2,427 bales in 1974-75.

WE Upland.--Of the 93 counties in the WE Upland area, only 51 had gins that operated during the 1974 and 1975 seasons. There was a total of 182 gins in the area but only 148 actually operated in 1974 (table 1). Because of the decline of cotton production in some counties in the area, it is likely that the number of active gins will decline further. While age and obsolescence are expected to reduce the number of active gins even further in the future, the declining cotton acreage in the area will exert even more pressure on the area's ginning industry.

Gins in the area are generally somewhat older than those found in other parts of the Cotton Belt. The most common size gin has four 80 or 90 saw gin stands, each having 12-inch saws and minimal amount of overhead cleaning equipment. The 148 active gins in the area have a combined capacity of 1,256.5 bales per hour. The capacity of individual gins ranges from 3.0 to 19.9 bales per hour.

Most gins in the Mississippi portion of the area have modified their press boxes to conform with the universal bale specifications but ginners in Alabama have not made this adjustment as cotton is generally used by local mills.

Total ginnings for the 1974 season were 252,763 but dropped to 119,651 bales in 1975. The average volume per gin amounted to 1,708 bales in 1974.

Limestone Valley.--Of the 142 gins in the Limestone area, only 118 operated during the 1974-75 season (table 1). The inactive gins are not likely to be re-activated under present conditions because of the need for extensive repairs and the disappearance of cotton production from some locations. Moreover, it is expected that a number of the marginal firms may also cease operation in the smaller cotton producing counties. Eighty

percent of the total gins and 86 percent of the active gins are located in the 17 Alabama counties included in the Limestone Valley area. These 17 counties also produced about 91 percent of the Limestone area crop in 1974 and slightly over 92 percent of the 1975 crop.

The most common size of gin in the area has four 80 to 90 saw stands each having 92-inch saws. The hourly capacity of these gins is 5 to 8 bales. However, there are a number of higher capacity gins being operated in the Limestone area. The higher capacity plants generally, however, are one or two stands gins with 119 16-inch saws per stand, 128 12-inch saws per stand, 224 12-inch saws or 141 16-inch saws per stand. Under proper conditions these type gins will process six to 14 bales per hour with one and two stands.

The 118 active gins have a combined capacity of 981 bales per hour or 888,786 bales per 906-hour ginning season. The average hourly capacity is 8.3 bales, and individual gin capacity ranges from 3.3 to 21.9 bales per hour.

Automatic sampling equipment is not used in the area and two gins have not modified their bale presses because much of the cotton is shipped directly to mills and over relatively short distances. Only four gins are known to have automatic bale strapping equipment and only one gin, the South Limestone Cooperative at Belle Mina, Alabama, has installed a universal density press. Only 8,670 bales or only slightly less than 5 percent of total Limestone area production was pressed to universal density during the 1975-76 season.

Total ginnings during the 1974-75 season were 297,930 bales compared with 177,047 bales in 1975-76. Average volume per gin was 2,128 bales in 1974.

Ginning Charges

Ginning charges in the Southeast region are usually established by one of two methods. The methods include (1) a charge per hundredweight of lint which includes bagging and ties, or (2) a flat rate per bale which includes bagging and ties.

Average ginning charges for the 1975-76 season included:

<u>Area</u>	<u>Method 1</u>		<u>Method 2</u>	
	Per hundredweight	: Total	: Per bale	
NE Upland	\$6.31	\$30.02	---	
CE Upland	6.57	31.54	\$30.49	
SE Upland	5.08	24.38	24.40	
WE Upland	5.36 - 5.81	27.89 - 25.73	27.49 - 27.55	
Limestone Valley	4.99	23.95	23.88	

In addition, fire insurance and gin to warehouse transportation charges are made on each bale. Fire insurance ranged from \$0.30 to \$0.50 per bale for the 1975-76 season. Transportation charges ranged from \$0.30 to \$2.00 per bale depending on hauling distance.

Some ginners in the region operate other enterprises in conjunction with the ginning operation. These include such activities as operating storage facilities, buying and selling cotton, and handling farm supplies.

Transportation, Warehousing and Compression

NE Upland Area

Baled cotton is moved almost immediately from gin platforms to either a warehouse or direct to a mill. There are 37 storage facilities operating in the area, none of which has compresses (table 2). Warehouse capacity

Table 2. Commercial storage facilities, Southeast region

Area	:	Number of plants	:	Total capacity (bales)
NE Upland	:	37	:	362,140
CE Upland	:	37	:	395,153
SE Upland	:	85	:	460,505
WE Upland	:	42	:	692,163
Limestone Valley	:	39	:	726,365
Region total	:	240	:	2,636,326

is 362,140 bales; most facilities are individually owned. Eight facilities are located in South Carolina, 29 in North Carolina, and none in Virginia. Warehouse space is quite well dispersed throughout the area (appendix table 1).

Substantial quantities of the area's cotton moves direct from gin to mill. Bales being moved to mills from warehouses are generally shipped flat and are moved by truck. Because of the relatively short distance cotton is transported within and from the region, the extra expense of recompression is not justified.

Charges per bale for services performed by these facilities in 1975-76 were: receiving, \$1.17; storage \$0.83 per month; breakout, \$1.25; and shipping, \$1.75. Assuming an average storage period of 3.7 months, a typical bale of cotton would incur total charges of \$7.24 for these services. However, many warehouses charge \$0.25 per bale extra for loading in excess of the floor area of trucks or rail cars. If a warehouse is not located on a rail line, it adds a drayage charge to the nearest rail depot. These

charges amounted to \$0.75 to \$3.00 per bale for cotton shipped by rail from these facilities. Shipments made within the area are predominantly by truck. Truck rates from the area to the major consuming points are shown in table 3.

CE Upland Area

Cotton ginned in this area is also moved either to a warehouse or direct to a southeastern mill soon after ginning. There are 37 storage facilities in the area (table 2). Total capacity for the area is 395,153 bales. This is more than adequate to handle local demand. However, storage space tends to be concentrated in a few counties in the area (appendix table 2). All facilities except two are warehouses, one each in Georgia and South Carolina. Plants tend to be individually owned. Charges for services tend to be the same among plants with no particular firm appearing to dominate. Most plants in the area are small relative to sizes across the Cotton Belt; however, they are typical of other southeast plants. Warehousing charges per bale in the area for 1975-76 were: receiving, \$1.39; storage, \$0.75 per month; breakout, \$1.25; and shipping, \$1.00. Assuming an average storage period of 3.7 months a typical bale of cotton would incur total warehousing charges of \$6.41.

Table 3. Truck rates for major routes, 1976

Area	Destination	
	Alabama-Georgia Mills	Carolina Mills
	<u>Dollars per bale</u>	
NE Upland	4.95	2.75
CE Upland	4.60	2.75

Most shipments in the region are by truck. Truck rates are shown in table 3.

SE Upland Area

Baled lint is moved almost immediately from the gin platform either to a warehouse or direct to a southeastern mill. There are 85 storage facilities in the area (table 2). However, there is only one in the Alabama portion of the area. Total capacity for the area is 460,505 bales. This amount of space is more than adequate to handle local demand. The warehouse facilities tend to be fairly well distributed throughout the area (appendix table 3). There are no recompression facilities at any warehouses in the region.

All warehouses are individually owned. Charges for services tend to be the same among plants. No particular firm appears to dominate the group. All warehouse plants in the area are small relative to plant sizes across the Cotton Belt. Warehousing charges per bale in the area for 1975-76 were: receiving, \$1.65; storage, \$0.92 per month; breakout, \$1.25; and shipping, \$1.00. Assuming an average storage period of 3.7 months a typical bale of cotton would incur total warehousing charges of \$7.30.

Most shipments in the area are by truck. Various transportation rates are shown in table 4.

WE Upland Area

Cotton ginned in the Alabama portion of the WE Upland area is moved from the gin platform almost immediately to a warehouse or direct to a mill within the vicinity. Cotton ginned in the Mississippi portion normally moves directly to a warehouse or compress and is later reshipped to a mill

Table 4. Rail and truck rates for selected routes, Southeast Upland, 1976

Origin	Destination					
	Trion, GA		Gastonia, NC		Greenville, SC	
	Truck	Rail	Truck	Rail	Truck	Rail
	<u>Dollars per bale</u>					
Cordele, GA	4.05	2.95	5.45	4.00	6.95	3.45
Thomaston, GA	3.25	2.85	4.60	3.55	6.10	3.00
Vienna, GA	4.05	2.95	5.45	4.00	6.95	3.45

or export point. The area has a total of 42 warehousing facilities of which six are inland compress facilities and two are compresses located at ports on the gulf coast of Alabama and Mississippi (table 2). However, only a small volume of cotton moves through either of these facilities in any given year. Only two compresses, one at Selma and the port facility at Mobile, are located in the Alabama portion of the area. Neither the Louisiana nor Tennessee portions of the area has warehouse space available. A major portion of the warehouse space in the area is concentrated in less than a third of the counties (appendix table 4). Total capacity for the area is 692,163 bales with over half of it (398,598 bales) being in compress warehouses. Warehouse firms in the area tend to be individually owned. The warehouses in Alabama are small relative to sizes in Mississippi and across the Cotton Belt.

Warehousing charges vary between states within the region. In 1975-76, the charges per bale in Alabama were: receiving \$2.51, storage \$1.09 per month, breakout \$1.25 and shipping \$1.25. Assuming a typical bale remains in storage 3.7 months, total charges of \$9.04 would accrue

against the bale. In Mississippi the charges were: receiving \$1.53, storage \$1.06 per month, shipping \$1.65; compression \$3.60. Total charges amounted to \$10.27 assuming 3.3 months of storage per bale.

Most cotton is shipped from the area by motor truck. Over 60 percent of the Mississippi and Alabama portions shipped by this method. Various transportation rates from selected points to destinations are given in table 5.

Limestone Valley Area

In most cases, baled lint is moved immediately from gin platforms either to a warehouse or direct to a mill in the general area, especially in Cherokee and adjacent counties where cotton is sold to Georgia mills.

There are 39 storage facilities operating in the area. Two of the facilities are compresses; 37 are warehouses (table 2). The two compresses have a combined capacity of 125,000 bales and individually hold 70 and 55 thousand bales. Warehouse capacity ranges in size from 2,300 bales to 64,000 bales. Total warehouse capacity for the area is 601,364 bales. Nearly 50 percent of the total storage capacity and 36 percent of the facilities are located in three counties--Madison, Morgan, and Floyd (appendix table 5). Nearly 22 percent of total capacity is located in Huntsville, Alabama, (Madison county), 18 percent in Decatur, Alabama, (Morgan county) and 8 percent in Rome, Georgia (Floyd county). Virtually all warehouses are individually owned. Both compresses are owned by parent companies but these facilities are the only ones operated by the company in the area. Charges for services tend to be the same among firms with no individual firm emerging as the price leader.

Table 5. Rail and truck rates by origin and destination, WE Upland, 1976

Origin	Destination				
	New Orleans, LA	200 A	201 B	Atlanta, GA	La Grange, GA
Truck rates:					
Houston, MS	4.00	6.00	5.50	4.75	4.50
Macon, MS	4.00	6.00	5.50	4.75	4.50
Gulfport, MS	4.75	6.25	5.75	4.75	5.00
Atmore, AL	--	5.50	6.80	4.15	4.55
Decatur, AL	--	5.50	6.80	4.15	4.55
Rail rates:					
Houston, MS	4.50	7.80	6.95	5.90	5.80
Macon, MS	4.50	7.80	6.95	5.90	5.80
Gulfport, MS	2.85	8.05	7.45	6.65	6.30
Atmore, AL	--	5.45	6.40	3.55	3.70
Decatur, AL	--	4.10	5.50	2.95	3.50

Warehousing charges in the Limestone area are somewhat lower than those made in other areas principally because total charges for most bales do not include re-compression prior to shipment. Substantial quantities of this area's cotton also moves direct from gin to mill. Bales moving from warehouses are generally shipped "flat" and are moved short distances by truck. Because of the relatively short distance cotton is transported within and from the region, the extra expense of compression is not justified.

Charges per bale for services performed by these facilities in 1975-76 were: receiving \$1.65, storage \$0.85 per month, breaking out of stacks and moving to warehouse platform \$1.25, loading onto trucks \$1.00. Assuming an average storage period of 3.7 months, a typical bale of cotton would incur total charges of \$7.04 for these services. However, many warehouses make an additional charge of \$0.25 per bale for loading in excess of the floor area of trucks or rail cars. Warehouses that are not located on a rail line also add a drayage charge to the nearest rail depot. These charges add \$0.75 to \$3.00 per bale for cotton shipped by rail from these facilities. Most shipments from the area to mills in Georgia are made by truck; most shipments to North Carolina are by rail. Shipments to South Carolina mills are about equally divided between truck and rail. Shipments made within the area are predominately by truck. Rail and truck rates from the area to several specified consuming points are shown in table 6. These data indicate that in all instances rail rates are smaller than truck rates. This is the opposite situation found in other areas and from the results of efforts by the Southern Railway to obtain more cotton business. However, the additional charge for drayage,

made by many if not most of the warehouses in the Limestone area, would more than offset the advantage of rail shipments indicated by the rates in table 6.

Merchandising

NE Upland Area

Ginners have played an important role in merchandising NE Upland cotton in past years. Prior to the growing popularity of crop contracting, ginners in the area bought and sold a substantial part of the crop each year. Moreover, in many instances when not actually buying cotton for his own account, the ginner acted as agent for the farmer in negotiating the sale with a merchant and/or a mill. The ginner receives a fee for hauling to the mill or warehouse.

Crop contracting since 1971 has reduced the amount of "free" cotton available each year. Contracts accounted for an estimated 8 percent

Table 6. Rail and truck rates from specified origin to destination, Limestone Valley, 1976^{1/}

Origin	Destination							
	Fayette, AL		Trion, GA		Gastonia, NC		Greenville, SC	
	Truck	Rail	Truck	Rail	Truck	Rail	Truck	Rail
	----- Dollars per bale -----							
Decatur, AL	3.10	2.20	3.10	2.20	6.20	4.85	5.50	4.10
Cullman, AL	2.25	1.55	3.05	2.70	4.60	4.40	4.85	4.65
Huntsville, AL	2.40	1.65	3.20	2.80	6.30	4.95	5.60	4.25

^{1/} Rail shipment charges are for 70 bales, and truck shipments are for 60 bales.

of the 1972 crop, and 66 percent of the 1973 crop and then back to 8 percent of the 1974 crop. Producers were also reluctant to enter into contracts in 1975 when they contracted only 4 percent of the area's cotton. However, 42 percent was contracted in 1976. Contracting is expected to be a primary merchandising method in the future. Sales to ginners, accounting for 17 percent of the crop, followed contracting in popularity in 1976. The remainder of the crop was handled by local merchants, mills, or warehouse agents.

Agents in the area include Lawson, Hohenberg, Weil, Loeb, Greene, Barnwell, and Hays as well as Walter and Daniels. The Carolina Cotton Growers Association, however, is the dominant firm.

CE Upland Area

Ginners have played an important role in merchandising cotton produced in the CE Upland area. However, crop contracting now appears to be the most common merchandising method. During the 1975-76 season, an estimated 42 percent of the cotton was contracted while some 16 percent was bought by ginners. Direct sales to merchants, shippers, and mills accounted for the remaining 42 percent of the crop.

The largest purchasers of CE Upland cotton are Hohenberg Brothers, Weil Brothers, and the Carolina Cotton Company. The following data show the extent of year to year variation in forward contracting:

<u>Year</u>	<u>Percent</u>
1970	5
1971	20
1972	30
1973	75
1974	17
1975	16
1976	42

SE Upland Area

Ginners have played an important role in merchandising SE Upland cotton. However, crop contracting also appears to be gaining in importance as a merchandising method in this area. During the 1975-76 season an estimated 40 percent of the cotton was contracted while some 12 percent was bought by ginners. Direct sales to merchants, shippers, and mills accounted for some 40 percent of the crop. An estimated 5 percent was sold through agents. The remaining 3 percent was held by producers. The following data indicate the magnitude of year to year changes in cotton selling methods in CE Upland:

<u>Sales Method</u>	<u>1974-75</u>	<u>1973-74</u>	<u>1972-73</u>
		<u>Percent</u>	
Contracts	5	65	12
CCC Loan	20	--	--
Held by producer	17	--	--
Mill sales	3	3	2
Merchant and shipper sales	53	15	19
Sales through agents	2	2	2
Sales to ginners	--	15	65

WE Upland Area

In the Alabama portion of the WE Upland area, ginners and warehousemen play an important role in the merchandising of cotton. In this section, ginners and warehousemen sometimes buy cotton for their own account but more often act as agent for the producer in negotiating sales with merchants and mills. In one instance, a ginner with about 12 gins usually buys all cotton ginned at his plant (about 20,000-25,000 bales). He buys hog round and his price varies at different locations depending on what it takes to obtain the business. Sales are made directly to mills, usually shipping direct from the gin. Settlement is made on basis of the mill's class and weight.

In contrast, producers in the Mississippi portion of the region rely heavily on local buyers who normally take about one-half of the crop. Cooperatives handle about 20 percent of the production generally on a contract basis in recent years. Less than 1 percent of the crop is purchased by ginners and none is bought or sold by the warehouses as in Alabama.

Crop contracting has been used by producers throughout the area, but Mississippi producers have used crop contracting to a greater extent than their counterparts in Alabama. For example, the following data show the percent of the crop contracted from 1970 through August 1, 1976.

	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
Alabama	15	48	33	83	11	4	66
Mississippi	25	69	72	87	37	17	68

Forward contracting of the 1976 crop in both states is the largest proportion of a crop sold by this method since 1973. There are indications that forward contracting will remain as a primary means of merchandising a substantial part of the area cotton in the future. Warehousemen and ginners also are expected to continue to handle a part of the Alabama crop while local merchant and cooperative sales are expected to remain an outlet for Mississippi production.

Agents in the area include Crawford, Holmes, Linn, Rogers, Sanders, Staple Cooperative, and Mississippi Federated Cooperatives.

Limestone Valley

Ginners have also played an important role in the merchandising of Limestone area cotton in the past. Prior to the growing popularity of crop contracting, ginners in the area bought and sold a substantial part

of the crop. Moreover, in many instances when not actually buying cotton for his own account the ginner acted as agent for the farmer in negotiating the sale with a merchant and/or a mill. The ginner receives a fee for hauling to the mill or warehouse.

Crop contracting since 1971 has reduced the amount of "free" cotton available each year in the Limestone Valley. Acreage contracts accounted for an estimated 75 percent of the 1972 crop, and 85 percent of the 73 crop, but there was little activity during the 1974 season when only about 11 percent was contracted on account of declining prices. Producers were also reluctant to enter into contracts in 1975. Less than 4 percent of the area's cotton was contracted that year.

During the 1974 and 1975 seasons, producers marketed the bulk of their crop through local merchants or representatives of larger merchants. About 10 percent was purchased by mills direct from producers or ginner. A small section of the Alabama portion of the area near the Georgia line customarily sells its cotton directly to Georgia Mills. These sales are usually made as the cotton is ginned and are usually based on the mill's classification. An additional 20,000 to 30,000 bales are sold directly by ginner on this basis each year. Very little cotton is sold through cooperative-type organizations.

There are several large volume merchants located in the area. These include Orr and Davis Cotton Company, Huntsville; W. E. Walker and Company, Albertville; Davis-Hunt Cotton Company, Decatur; and George B. Murphy Cotton Company, Tanner, Alabama. There is also a number of other buyers in the area, but the volume of cotton they handle is relatively small. Several more widely known cotton firms also have representatives in the area. Among these are Weil Brothers Cotton, Inc., Hohenberg Brothers, Allenberg Cotton

Company, and Loeb and Company, Inc. Each of these firms purchases a fairly large volume of cotton from the area each year.

Summary

Cotton ginning, handling, and marketing facilities are spread throughout the Southeast region with some concentration of facilities in key cotton counties. The marked decline in cotton production and shifts in production patterns the last several years have impacted heavily on ginning and marketing facilities in the region.

Cotton ginning facilities in the region range from very old to the latest modern plants with a rated ginning capacity of about 27 bales per hour. The older gins have a rated capacity of three to five bales per hour. The volume of cotton processed per gin averaged 2,193 bales in 1974 and 1,687 bales in 1975.

Ginners in the region normally base ginning cost on a charge per hundredweight of lint which includes bagging and ties, or a flat rate per bale also including bagging and ties. In the 1975-76 season, average charges ranged from \$23.88 to \$30.49 per bale. Other charges included fire insurance and gin to warehouse transportation ranging from \$0.60 to \$2.50 per bale. Most cotton is moved almost immediately to a warehouse or mill from the gin.

Warehouse space in the region is more than adequate to handle current production. The facilities for the most part are quite well distributed with respect to location of production. In 1976, warehousing charges for 3.7 months (including receiving, storage, breakout, and shipping) ranged from \$6.41 per bale in the CE Upland area to \$10.27 in WE Upland.

Producers in the region have access to several market outlets for their cotton. Cotton merchants, commission buyers, mill buyers, ginners, and

cooperatives are all utilized to some extent in the different areas. The Carolina Cotton Growers Association, Carolina Cotton Company, Hohenberg Brothers, Weil Brothers, Staple Cooperative, and Mississippi Federated Cooperatives among others are major cotton buyers in different areas within the region.

Appendix Table 1. Commercial storage Facilities, NE Upland area

State/County	Number of plants	Total capacity
North Carolina:		
Halifax	5	62,600
Hoke	1	10,000
Northampton	5	34,000
Robeson	6	54,300
Scotland	2	13,500
Cumberland	1	9,500
Edgecombe	1	23,000
Harnett	1	9,250
Hertford	1	2,800
Nash	2	10,900
Chowan	1	3,300
Johnston	1	5,000
Wake	1	11,800
Wilson	1	27,000
South Carolina:		
Dillon	2	50,700
Florence	4	20,550
Marion	2	13,940
Total	37	362,140

Appendix Table 2. Commercial storage facilities, CE Upland area

State/County	Number of plants	Total capacity
Georgia:		
Burke	4	18,050
Jefferson	3	27,860
Johnson	3	14,990
Washington	3	14,200
Emanuel	1	8,333
Richmond <u>1/</u>	2	112,000
Screven	1	1,600
South Carolina:		
Bamberg	2	25,000
Barnwell	1	10,000
Chesterfield	1	5,180
Orangeburg	9	55,200
Allendale	1	2,900
Hampton	3	8,765
Richland <u>2/</u>	3	91,075
Total	37	395,153

Appendix Table 3. Commercial Storage Facilities, SE Upland area

State/County	Number of plants	Total capacity
Alabama:		
Barbour	1	5,750
Georgia:		
Ben Hill	2	19,200
Calhoun	2	13,910
Candler	1	4,400
Colquitt	8	40,250
Crisp	6	40,500
Dodge	3	7,125
Early	2	17,900
Houston	1	2,650
Laurens	5	33,925
Macon	3	15,085
Mitchell	2	12,300
Randolph	3	12,625
Stewart	1	2,250
Sumter	5	17,170
Taylor	4	17,070
Terrell	5	24,620
Toombs	1	4,675
Treutlen	1	2,000
Turner	3	17,715
Wilcox	3	11,860
Worth	2	9,000
Thomas	1	4,500
Tift	2	6,070
Bulloch	2	7,500
Coffee	1	2,325
Marion	1	2,175
Wilkinson	1	5,500
Muscogee	1	10,000
Bleckley	2	10,000
Dooly	7	56,655
Pulaski	3	23,800
Total	85	460,505

Appendix Table 4. Commercial storage facilities, WE Upland area

State/County	Number of plants	Total capacity
Alabama:		
Marion	1	6,500
Fayette	1	5,000
Pickens	2	9,585
Tuscaloosa	3	15,400
Bibb	1	1,975
Hale	3	10,450
Greene	1	8,850
Perry	1	6,200
Montgomery	1	6,900
Elmore	3	20,725
Macon	1	2,200
Bullock	1	2,500
Lee	2	13,950
Russell	1	2,500
Dallas	2	<u>1/</u> 121,500
Escambia	2	14,950
Marengo	3	16,500
Mobile	1	<u>2/</u> 54,178
Mississippi:		
Alcorn	1	<u>3/</u> 67,500
Tippah	1	15,000
Prentiss	1	15,000
Union	1	<u>3/</u> 77,500
Pontotoc	1	<u>3/</u> 37,500
Monroe	1	<u>3/</u> 32,000
Noxubee	1	13,200
Clarke	1	8,800
Lincoln	1	<u>3/</u> 33,920
Jefferson Davis	1	15,000
Harrison	1	<u>4/</u> 55,000
Florida:		
Santa Rosa	1	11,830
Total	42	692,163

1/ Denotes 51,000 bale compress and 70,550 bale warehouse.

2/ Compress at Mobile, Alabama.

3/ Denotes compress.

4/ Compress at Gulfport, Mississippi.

Appendix Table 5. Commercial storage facilities, Limestone Valley area

County	:	Number of plants	:	Total capacity
Winston	:	1	:	2,700
Limestone	:	3	:	52,850
Madison	:	9	:	177,184
Colbert	:	2	:	14,000
Cullman	:	1	:	7,600
DeKalb	:	2	:	13,500
Jackson	:	2	:	11,800
Marshall	:	4	:	40,850
Morgan	:	3	:	<u>1</u> /147,050
Etowah	:	2	:	111,740
Talladega	:	2	:	14,000
Jefferson	:	1	:	<u>2</u> /55,000
Bartow ^{3/}	:	1	:	2,000
Chattooga ^{3/}	:	1	:	20,480
Floyd ^{3/}	:	5	:	55,610
Total	:	39	:	726,364

1/ Includes 70,000 bale capacity compress.

2/ Compress facility at Birmingham that is not active at this time due to limited amounts of cotton available.

3/ Georgia counties. All other counties are in Alabama.