



# Cotton Economics Research Update

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Agricultural and Applied Economics

Director:  
Dr. Don Ethridge

Associate Director:  
Dr. Sukant Misra

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Research Institute  
Department of  
Agricultural and Applied  
Economics  
Texas Tech University

## Welcome

Good things continue to happen within the Institute and the Agricultural and Applied Economics Department. The Research /Extension Symposium in April was well received and we gained useful insight from the participants. Its success was due in considerable part to the work of Dr. Sukant Misra and other faculty. We have several new projects with some exciting prospects for others in the writings; stay tuned. More details on these items are given throughout the newsletter.

Other good news is the arrival of two new faculty, each of whom will

be involved in cotton economics research. Dr. Samarendu Mohanty arrived on campus this summer; he will be involved in our trade policy and marketing research. Dr Heather Greer will arrive in August and will be working in the marketing and agribusiness areas. They will have resumes on our web page as soon as they can get around to it, so you may want to check them out.

Speaking of the web page; please use it if it is convenient. If you don't find what you need, please call or write us. We like for our work to be used and useful.

Don Ethridge

## New Projects

### **Input Management to Increase Profitability of Irrigated Cotton Production in the Texas South Plains**

This research is investigating the yields, costs and profitability of alternative cotton production practices, variety irrigation water rates, nitrogen and phosphorus fertilization rates using data from previous Texas Tech University field experiments, under various temperature and rainfall regimes.

This project is funded through Cotton Incorporated and Texas State Support Committee. For more information, contact Octavio Ramirez.

### **Comparing Profitability of Ultra-Narrow-Row with Conventional Stripper Harvested Row Cotton**

Some producers are currently exploring the adoption of ultra-narrow-row as an alternative to conventional row spacing. This study will evaluate and compare the profitability of cotton produced under ultra-narrow-row and conventional row spacing in the Southern High Plains of Texas. This will be accomplished by empirically comparing the costs and revenues of ultra-narrow-row and conventional row cotton.

This project is funded through Cotton Incorporated. For more information, contact Sukant Misra

## **Demand for U.S. Made Cotton Apparel and its Implications for the Cotton Industry**

This research initiative is an interagency (TTU and Cotton, Inc.) effort to derive and examine end-use demand relationships for cotton using consumer-level primary data. The central focus of this research is to understand consumer demand for U.S. made cotton apparel (cotton and denim) and to analyze their demand growth potential relating to consumer socioeconomic profiles and geographical regions. This study would provide information to help industry make production, processing and marketing decisions, and help strengthen the demand for U.S. made cotton apparel, and thus improve the long-term economic vitality and profitability of the cotton industry.

Funding from USDA/CREES through International Cotton Research Center, TTU. For more information, contact Sukant Misra or Octavio Ramirez.

## **Feasibility of Cotton Yarn Plant**

Even though West Texas is a major cotton producing region, relatively little of the cotton lint produced there is processed into higher-value textile products. A study underway is analyzing the overall feasibility of a local mill, producing yarn from average quality West Texas cotton with the newest in ring spinning technology. Initial findings of the study show that a cotton yarn plant in West Texas using approximately 30,000 bales of cotton per year would be feasible. Important advantages for such a mill in West Texas include the most obvious one of year-round availability of a great array of cotton with suitable fiber properties. Other advantages, compared with current textile-producing areas in the Southeast and West Coast, are lower utility costs, freight savings, lower living costs for workers, and availability of a desirable work force.

This research was funded by CSREES/USDA, through the International Cotton Research Center and Independent Cotton Ginners Association. For more information contact Kary Mathis or Dean Ethridge.

# Recent Studies

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## **A Trial Version of Cotton Harvesting Cost Calculator is on the Web**

A user-friendly web-based cotton harvesting cost calculator (HCC) has been developed to allow producers to estimate harvesting costs for specific equipment configuration or compare costs of alternative harvesting equipment configurations. The HCC is currently on the web under password protection in order for the accuracy and functions to be tested by a small group of industry members. The HCC will be available to all industry members soon.

This project was funded by Cotton Incorporated. For more information, contact Sukant Misra.

## **Crop and Revenue Insurance Products as Risk Management Tools**

A recently completed study evaluated the efficacy of various crop and revenue insurance products as risk management tools for cotton producers in selected regions of Texas. By taking a novel approach of utilizing producer-level information, the study attempted to rank order the available crop and revenue insurance products in terms of their ability to increase producer net returns with minimum variability. The results of the study indicated that the Catastrophic option, the MPC1 50 and 60 yield coverage levels, and the CRC 50 coverage level are cost-effective risk management tools from producers' perspective. Premium rates were determined to be generally high for most buy-up insurance products.

This project was funded by the Cotton Economics Research Institute. For more information, contact Sukant Misra.

# Recent Activities

## Research/Extension Symposium

The Cotton Economics Research Institute at Texas Tech University held their first Research/Extension Symposium on Wednesday, April 5. This symposium was held in collaboration with the Texas Agricultural Extension Service, and the event was targeted at a select group of extension scientists involved in cotton economics and marketing programs. The focus of the Research/Extension Symposium was to inform the group of the research projects being conducted within the Institute. Participants also provided input about future research they felt should be given priority

in the Institute. Speakers from the Texas Agricultural Extension Service reviewed on-going research activities and offered suggestions for future collaboration. Those in the Cotton Economics Research Institute plan to make the Symposium an annual event. They hope to hold it in April each year in conjunction with the Texas Cotton Ginners Annual Meeting and Trade Show.

The symposium was funded through the CER Institute and Cotton Incorporated. For more information, contact Sukant Misra.



## Students Involved in Cotton Economics Research

Our continued dedication to quality student instruction is exemplified by the number of students who are involved in the cotton economics research program. At the present time (spring and summer), they are:

<u>Name</u>	<u>Degree Program</u>	<u>Advisor</u>
Jason Blackshear	M.S.	Johnson
Carlos Carpio	M.S.	Ramirez
Megan Denning	M.S.	Ramirez
Amar Devegowda	M.S. (CS)	Misra
Toby Dunn	M.S.	Misra
Mohamad Fadiga	Ph.D	Misra & Ramirez
Jim Ed Field	M.S.	Misra
Kevin Hoelscher	M.S.	Misra
Adari Johnson	M.S.	Ethridge
Aravind Kannan	M.S. (CS)	Misra
Jeanie Nelson	M.S.	Misra
Jingwei Wei	M.S.	Segarra
Jason Ward	Undergrad	Misra
Jay Youngblood	M.S.	Johnson
Man Yu	Ph.D.	Segarra

## Advisory Committee Meeting

The year's annual Cotton Economics Research Advisory Committee meeting is scheduled for Friday, October 6, 2000. The Committee members are Carl Anderson, Curtis Griffith, Carleton Davis, Darryl Lindsey, Jayroy Moore, Dan Upchurch, Steve Verett, and Tony Williams.

## CER News Releases

The following news releases have been written to provide information to the public about the recent projects being conducted through Cotton Economics Research.

For more information contact Sukant Misra or Don Ethridge.

- 1) Research/Extension Symposium
- 2) Bt Corn and Cotton
- 3) Water Supply
- 4) Studies Show Gin Trash Acceptable in Feedlots
- 5) CER Institute

# Contact Information

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## Web Site and E-Mail Address

The Cotton Economics Research Institute now has a Web Site of its own. Information on current research projects, publications, activities, etc., can be obtained through this site at:

**<http://www.aeco.ttu.edu/cer institute.htm>**.

The e-mail address for the Institute is:

**[cer@ttu.edu](mailto:cer@ttu.edu)**.

For more information on cotton economics research, contact the department at:

**Box 42132  
Lubbock, TX 79409-2132  
(806) 742-2821  
FAX (806) 742-1099**

Individual researchers can be reached as followed:

**Emmett Elam**

742-0277 ext.243; **[Emmett.Elam@ttu.edu](mailto:Emmett.Elam@ttu.edu)**

**Terry Ervin**

742-0277 ext.244; **[R.T.Ervin@ttu.edu](mailto:R.T.Ervin@ttu.edu)**

**Don Ethridge**

742-2821 ext.225; **[Don.Ethridge@ttu.edu](mailto:Don.Ethridge@ttu.edu)**

**Heather Greer**

742-0261 ext.241

**Phillip Johnson**

742-0277 ext.237; **[Phil.Johnson@ttu.edu](mailto:Phil.Johnson@ttu.edu)**

**Sukant Misra**

742-0277 ext.246; **[Sukant.Misra@ttu.edu](mailto:Sukant.Misra@ttu.edu)**

**Samarendu Mohanty**

742-0277 ext.240; **[smohanty@ttu.edu](mailto:smohanty@ttu.edu)**

**Octavio Ramirez**

742-0277 ext. 245; **[Octavio.Ramirez@ttu.edu](mailto:Octavio.Ramirez@ttu.edu)**

**Eduardo Segarra**

742-0277 ext.242; **[Zgseg@ttacs.ttu.edu](mailto:Zgseg@ttacs.ttu.edu)**

**David Willis**

742-0277 ext.238; **[David.Willis@ttu.edu](mailto:David.Willis@ttu.edu)**

Texas Tech University  
Department of Agricultural and Applied Economics  
Box 42132  
Lubbock, TX 79409-2132  
0140-44-5745

