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Cotton acreage expected to decline

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NEW ORLEANS --

Elliot Colvin usually plants most of his 1,800 acres in cotton. But not this year.

With corn prices up and cotton at break-even levels, the northeastern Louisiana farmer considers corn his best bet and for the first time in more than a decade will plant no cotton.

"I'm very optimistic about it," he said. "When you go into a season with good prices, it makes you feel a lot better."

Cotton acreage is expected to decline across the South this season as farmers, faced with high production costs and cotton from last season remaining unsold, move to corn or soybeans, crops with higher profit potential.

The sharpest decline is projected for Mississippi and Louisiana; farmers in Louisiana, where construction of at least one corn-based ethanol plant is planned, are expected to seed their fewest cotton acres since 1975 and their most corn in nearly a decade, according to the U.S. Department of Agriculture.

Demand from the growing ethanol industry, which last year reached record production levels worldwide, and traditional markets, such as livestock feed and export customers, has helped drive corn to more than \$4 a bushel this year while cotton prices have remained relatively low, according to agricultural leaders and the Renewable Fuels Association.

While it's not seen as a fatal blow to the cotton industry, the planting shift comes at a time of global trade talks and ahead of the rewriting of federal farm legislation.

"Farmers will make decisions on what is most profitable," said Kurt Guidry, an agricultural economist with the Louisiana State University AgCenter. As they penciled out their planting intentions this spring, "it was pretty tough to find something that would compete with corn prices."

Corn this year has traded at some of its highest levels in years, reaching \$4.30 a bushel on the Chicago Board of Trade in mid-February, Guidry said. While prices have fallen since March 30, when USDA forecast the nation's largest planted acreage in 63 years, the recent \$3.86-a-bushel price on the December futures is far higher than an average \$2 a bushel farmers got for the 2005 crop, a trade group analyst said. And the price could go higher, depending on conditions this growing season.

Contrast that with cotton, a labor-intensive crop that, for the 2006 crop year, has traded on the futures market at an average of 54 cents a pound, comparable to prices posted for 2000, according to the National Cotton Council.

Cotton can be more expensive to produce than corn, costing farmers in parts of northeast Louisiana, where considerable farmland is irrigated, up to \$450 an acre, said Keith Collins, Richland Parish agent for the LSU AgCenter.

Statewide, USDA projects corn planting in Louisiana to more than double this year, to 700,000 acres. If the projection holds, it would be one of the biggest corn plantings in the state in decades, agency figures show.

In neighboring Mississippi, Justin Ferguson, a regional manager for that state's Farm Bureau Federation, expects "one of the biggest crop changes in the Mississippi Delta that's ever happened, just from total switches from cotton to corn."

The USDA projects Mississippi will plant its biggest corn acreage since 1960 and its fewest acres in cotton since 1983. Already, some farmers in the Delta cotton country are trading in cotton-picking equipment for combines, Ferguson said.

"When you're spending less money and have to borrow less, your risk exposure is less," Collins said. "When you add in corn prices where they are, it's a win-win situation."

The numbers aren't swaying everyone. Eddie Green, who grows corn and cotton in Georgia, still plans to plant predominantly cotton. If he believes the price for corn will stay high - and he's thinking it may - he said he'd consider investing more in grain equipment. "At this point, it's a year-by-year thing," he said.

Jess Barr, executive vice president of the Louisiana Cotton Producers Association, said he doesn't believe the shift will extend beyond, perhaps, several years. Cotton acres have been converted before to grain, and, to some extent, recouped, he said.

However, in spite of recent fluctuations, the state hasn't come close to regaining the 1 million acres of cotton planted in 1995, USDA figures show.



Rogelio V. Solis / AP Photo

Young corn plants seem to stretch towards the sun in St. Joseph, La., Friday, April 6, 2007. If temperatures drop below freezing, many farmers that switched to planting corn over cotton to take advantage of a more favorable market, might suffer strong losses.

- [National Cotton Council of America](#)
- [National Corn Growers Association](#)