COOPERATIVE ACTION TO PRESERVE CALIFORNIA'S REPUTATION FOR QUALITY COTTON

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The San Joaquin Valley, where over 95% of California's total cotton production is centered, has enjoyed a long history and good reputation for producing consistent and dependable supplies of high quality premium priced cottons. The cotton industry there has been built around this concept. A lot of time, a lot of money and a lot of effort has gone into the shaping and molding of this proven approach over many years. Our reputation for high quality cotton has been the foundation of our past successes and without a doubt, California's future in the cotton business depends on our commitment to maintain and protect this reputation.

Because of mistakes that were made in managing aphid and whitefly problems, especially late season infestations, in our 2001 crop, this past year has been a challenging one for our industry and our reputation. As calls, e-mails, faxes and reports began to come in from all around the world regarding sticky cotton problems with the 2001 crop, the first reaction, I must admit, was to either try to ignore the reports or deny that a widespread problem existed. But it was soon realized that because of the extent of the reports and the problems being created for our unknowing and valued mill customers around the world, the responsible thing to do was to acknowledge, for really the first time publicly and openly, that we obviously had a greater problem with the 2001 crop than first realized and to address the problem head-on.

An industry wide meeting was called in early June that included representatives from the cotton grower, ginner, merchant, research, consultant, lender, and trade organization communities to discuss the sticky cotton problems experienced by many, in varying degrees, in portions of the 2001 crop. It was an open and frank discussion and all segments were heard from. In the end, all admitted that we had a problem in 2001, all agreed that we must learn from our mistakes in 2001, and all agreed that the entire industry must join forces to combat the problem, and to avoid any repeat of the same problems in future crops.

It was agreed that the industry had the expertise, it had the tools to solve the problem, but to solve the problem what was needed was the strong resolve of the entire industry to cooperate and work together to identify, responsibly manage, and eliminate this problem in future crops. All segments adopted this resolve and all committed to a strong and proactive approach of addressing the sticky cotton issue in San Joaquin Valley cottons.

The California Cotton Growers Association and the California Cotton Ginners Association were asked to lead the industry efforts to heighten the awareness of the problem, to spread the word about its seriousness, to engage the University of California's Cooperative Extension Service to help educate growers and consultants on how to better manage and control these pests, especially in late season when the lint is exposed, and finally, to spell out the certain consequences to be suffered by all in the industry if this problem was not properly, firmly, and swiftly addressed and controlled.

An all out education and outreach campaign was launched with widespread distribution of publications and articles on the issue and how to address the same. The University of California Cooperative Extension's Farm Advisors, Agronomists, Entomologists and IPM Advisors played a major role in this effort. A multitude of meetings were held throughout the valley during the entire growing and defoliation season. Many of the meetings were to specifically address the sticky cotton issue while many others covered a wide spectrum of topics, but without fail, sticky cotton was always some part of every program. ANo Sticky Cotton@ decals were printed and distributed at meetings across the valley and in gin offices. Large banners with the same message were made and became a familiar back drop at various industry meetings.

The first focus was on the grower segment. The grower is the first line of defense in this battle. This is where the problem begins and this is where the problem should be stopped. Someone made the comment, and I believe it's absolutely right, >sticky cotton is not an aphid or whitefly problem, it is a manageable problem not being properly managed'. Many learned the hard way in 2001 that defoliation in lieu of treating for an aphid or whitefly infestation is not a problem solving solution in many cases. Many also learned that defoliation is not the end of the management of that crop before it is harvested. With sometimes many days between defoliation and harvest, for varying reasons, light or non treatable thresholds of aphid and/or whitefly populations at the time of defoliation can many times develop into real and unexpected problems of honeydew deposits on the exposed lint during that period before picking begins or before picking is finished.

If the problem is not properly dealt with in the field, then the next line of defense becomes the cotton gins and believe me, they were inundated with information on the seriousness of this issue as well. Many gins suffered serious economic losses in 2001 because of the slowdown in processing throughputs caused by sticky cotton. These reductions increased the costs of

ginning and consequently reduced the gin's bottom line per bale returns to their grower customers and/or owners. This problem really began to hit home when, in public meetings, the question began to be asked - >If most growers manage this problem responsibly in the field, take the necessary and sometimes costly steps to treat and eliminate the problem and other growers do not, what is fair about the growers that do not, ginning at the same gin, running the cost of ginning up with sticky cotton, being charged the same per bale cost for ginning and receiving the same per bale returns as the growers that addressed and solved their sticky cotton problem in the field?' Obviously nothing is fair about that system and that is why many gin memberships and many gin owners decided to implement policies to charge additional fees for processing sticky cotton and once such cotton was identified, that cotton would be moved to the end of the ginning season to be processed. Because of the way that the mill community has so often addressed the problem of sticky cotton by black-balling gins or even entire production regions, gins quickly realized that their gin's reputation could be at stake and their customers and/or owners realized that being associated with a gin that does not separate and identify sticky cotton, jeopardizes the integrity and reputation of not only the gin, but its entire customer base. Most gins also agreed to cooperate with the merchant community by alerting the first handlers of the cotton of any problems with stickiness experienced or detected in the ginning process.

Beyond the grower and ginner, the next line of defense has to be the merchant community and although I don't speak for the merchants, I can say that this segment of our industry in California has been very supportive and engaged from the beginning in our efforts to eliminate this problem. They realize too, that their reputations can be on the line as well. Many have implemented testing procedures for the first time and many have stepped up their previous testing procedures. Many are putting no sticky cotton provisions in their contracts. Calcot, our large marketing cooperative produced a video for their customers around the world expressing their concerns on the issue and addressing their widespread efforts to eliminate the problem. They also sponsored month long radio spots throughout the valley to help spread the word about the importance of recognizing and eliminating the problem of sticky cotton in the field. The Western Cotton Shippers, our independent merchant group, featured the sticky cotton issue at their annual conference and later invited a presentation on the issue to be given to a meeting they hosted of international textile mill representatives. Our usual, frank and tough talk on the issue was very well received and comments from many of the guests were that few if any other areas visited were willing to address the issue of sticky cotton so openly and honestly. They expressed appreciation for our approach and confidence in our efforts to solve this problem.

I'm proud of the cooperative efforts that have been made at all levels of California's cotton industry to recognize this problem, to disseminate information on the seriousness of the problem, to help implement ways to either better manage and solve the problem, or to identify it, isolate and separate it and penalize the ones that produce it.

This was a tough line to lay down in an already weakened industry. Some say it was bold, some say it was risky, but most in California's cotton industry says it was fair, it was necessary and it was the right thing to do. I'm proud of the widespread industry's support of this hardline approach and I can tell you here today that we intend to critique our actions, learn from our experiences, and keep the heat turned up in the future on this issue as well.

In the past there have been no incentives for a bad actor in our industry to take the necessary steps or spend the extra money to control these pest problems because they were charged the same per bale cost for ginning and received the same per bale gin return as the clean grower. They received the same price per pound for their sticky cotton from their merchant or their marketing pools as the clean grower. We're committed in California to stop this inequity by identifying, isolating, separating and penalizing the irresponsible ones in the industry that refuse to step up on this issue.

There are obviously holes in our defense. The measurement technologies and the meaning of how different measurements relate to populations levels in the fields and how they affect spinning of our cotton has not been perfected just yet on a commercial scale. Cotton Incorporated, National Cotton Council, the International Textile Center in Lubbock are working overtime on this issue, much to our satisfaction. I believe that there must be standards developed to quantify what the different levels or measurements of stickiness in cotton fiber mean in terms of value and affects on qualities of cotton in the market-place. Because of the lack of this information today, we in California are forced to forge ahead today with a zero tolerance approach. Once meaningful standards are developed and put in place, the problem will be solved once and for all and the different segments of the industry will be taken out of the unpleasant, but necessary position of policing every bale to protect the long standing and good reputation of our industry.

Finally, how successful were our efforts to solve a potential repeat of a sticky cotton problem in California's 2002 crop? Although the jury is still out on a large part of the crop, with ginning still going on and mill deliveries just getting into full swing, reports, or should I say, the lack of reports thus far, have been extremely encouraging. To say or believe that we solved this problem in one crop year would be foolish and virtually impossible, but it was not because of the lack of commitment on behalf of our entire industry. Was there sticky cotton in the SJV in 2002? Yes, but the overall problem has been reduced substantially from 2001 even though industry sponsored bi-weekly surveys of aphid and whitefly populations at 375 locations throughout the San Joaquin Valley indicated much wider spread and in some cases, more intense populations in 2002 as compared to 2001. We also know that treatment numbers and control material usage for these pests were up by 4x in

2002 over 2001 and this was on almost 200,000 less acres. We also know that the industry's commercial size and valley wide variety trials also showed significant reduction in stickiness levels in their sampling as compared to 2001 trials.

Is California better prepared to deal with this problem now and in the future? Absolutely! Tough talk, increased awareness, peer pressure, and cooperative efforts have combined for what I believe has been a rewarding result in California's fight to preserve a reputation that took many years to establish, but that could be lost in just one or two.

As I stated in the beginning, High Quality Cotton has been the San Joaquin Valley's past and it will be our future. That's our promise and that's our commitment, and let it be our warning to anyone that puts this reputation at risk!