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Extension Workshops Will Help Producers Examine Cotton Profitability

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LUBBOCK – Producers who want to take a look at profitability scenarios for 2008 and closely examine their financial options should attend at least one of four Texas AgriLife Extension Service cotton profitability workshops, said an Extension economist.

"The first two workshops are slated for Feb. 12 and March 4, at the AgriLife Research and Extension Center at Lubbock," said Jackie Smith, Extension economist based at Lubbock. "We will also have at least two other workshops, set in counties here on the South Plains. Our objective is to provide producers the tools, data and skills to evaluate the potential profitability of alternative crops.

"Each participant will receive a hand-out that includes a printed copy of our presentations and selected crop budgets. They will also receive a CD containing Excel crop budgets and break-even tables, reference files, and a set of Internet links. This will help them use the Excel spreadsheet on their own computer."

The workshops will run from 9 a.m. to 4 p.m. Registration costs \$20 per person, and includes lunch and refreshments.

The workshops are funded by a grant from the Texas State Cotton Support Committee.

"The grant enables us to develop a crop budget projection tool, conduct training workshops, keep the data updated, and then make the tool and information readily available to producers," Smith said.

"The Excel spreadsheets are also designed to allow users to examine the impact of different crop share rental arrangements on landlord and renter's net income."

Extension risk management specialists Jay Yates and Jeff Pate, Lubbock, and Extension cotton marketing specialist John Robinson, College Station, will help conduct the workshops.

Other topics on the agenda include: input price trends and projections for 2008; a farm bill update; basis, cash contracts and forward pricing tools such as short futures and put options. They will also cover margin requirements, margin costs and other advanced pricing tools.

To register, contact Wendy Durrett at 806-746-6101. For more information, contact Smith or Yates at 806-746-6101. County Extension offices will also have information on the latter workshops as they are scheduled, Smith said.