

Cotton Gins Are Closing As Cotton Acres Decrease

MISSISSIPPI STATE, MISS.

Fewer cotton acres in Mississippi mean less demand for cotton ginning, and whole communities in the Mississippi Delta are feeling the impact of the loss of their livelihood.

A cotton gin is the piece of equipment that separates the cotton seeds from the cotton. Eli Whitney mechanized this process for the first time in 1793.

John Michael Riley, an agricultural economist with the Mississippi State University Extension Service, said since 2000, Mississippi has seen a 34 percent decrease in the number of cotton gins in operation, from 109 to 72. Back in 1991, the state had 181 cotton gins. Some of the decrease is due to the development of more efficient gins, but gins are simply processing less cotton.

"There were 62 gins in 2000 that ginned 10,000 or more bales a year, representing 53 percent of gins. That same year, 54 gins processed less than 10,000 bales," Riley said. "In 2008, that changed to 47, or 65 percent, ginning less than 10,000 bales, and 25 ginning more than 10,000 bales."

In that same time period, the number of acres of cotton in Mississippi has dropped about 72 percent from 1.2 million acres in 2000 to an estimated 300,000 acres in 2009.

Riley said this change in the industry has had some significant economic impacts.

"Researchers at Louisiana State University calculated the specific economic impact for the mid-South cotton producing states is that for every dollar taken out from a ginning standpoint, that's \$2.40 taken from the economy," Riley said. "That figure is \$1.45 in Mississippi because it reflects the upkeep of the gins, and we spend a portion of our money on gin upkeep

in Memphis, so it has a less direct impact on the Mississippi economy."

In addition to the amount of money spent, or not spent, in a community to operate the gin, there is the human factor.

"These gins hire people in the community, so whenever you lose that gin, that workforce has to do something else," Riley said.

Many cotton gin laborers can learn new skills and get other jobs in agricultural enterprises. Some likely will have to move away.

"You need more labor for the production and processing of cotton than you do for any of the state's other major row crops," Riley said. "There are more steps in the process, and each of these steps requires people."

Darrin Dodds, Extension cotton specialist, said cotton acres declined as farmers compared the profitability of the crop with others. Cotton's technology fees are expensive and the crop requires a fair amount of costly nitrogen and potassium. Pest control costs for insects such as tarnished plant bugs and two-spotted spider mites, and weed control costs, especially where resistant weeds are a problem, are also high.

"Growing cotton requires a significant financial commitment," Dodds said. "It is unclear whether we'll ever have 1.2 million acres of cotton again; however, I could see us getting back to about 750,000 acres, but cotton profitability will have to increase and profitability for other crops will have to decrease."

If the day comes that Mississippi increases its cotton acreage again, Riley said the existing cotton gins can resume operation.

"There is a cost associated with getting them running again, but if the demand is there, it's worth switching them back on," Riley said. Δ