

Cotton in Virginia

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The 2003 Crop

Chronological Progress of 2003 growing season

The five year average number of cotton acres in Virginia is 103,000. In 2003, 100,000 acres of cotton were expected for Virginia yet only 84,176 were salvaged under less than ideal planting conditions. Good planting conditions through early May were followed by wet and cool conditions that were not good for planting and seedling emergence. During late May frequent rainfall and saturated soils resulted in the abandonment of more than 6000 acres of cotton and prevented the planting of an additional 10,000 acres. The 84,000 acres remaining grew slowly and plants were stunted.

Above normal rainfall continued through the growing season. In some fields heavy square loss occurred from plant-bug infestations in June. Young bolls aborted in early July from plant-bug and excessive rainfall and by mid-July the crop looked marginal. Warm temperatures allowed plants to 'catch up' by late July and squaring and flowering progressed rapidly into August. By late August and early September, cotton grown on the sandier soils showed signs of nitrogen leaching and early cutout. Hurricane Isabelle threatened the crop in Mid-September but did very little crop damage. The twisted stalks straightened somewhat and defoliation and harvest losses due to the hurricane were minimal. Sufficient warm, dry weather occurred in late September and October for good boll opening and made average or above-average yields possible on this otherwise late crop. USDA yield projections for Virginia in October were for 742 lb per acre, 36 lb higher than the five year state average of 706 lb. Farmers continue to be encouraged by the resilient nature of cotton in this growing region.

Price Outlook

After 5 years of low cotton prices and high POP payments and Counter Cyclical payments in 2002 and 2003, farmers are expecting most of their income from the cotton crop itself in 2004. A strong rally carried 2003 cotton prices from the low 50's during the summer to the mid 80's by late October in December contracts. While it has been difficult for producers to find merchants contracts a year in advance, December 2004 futures have traded above 70 cents per pound. Most of these 2004 forward contracts have been very specific regarding quality specifications.

Production Outlook

Recent years have trended towards a reduction in peanut acres in Eastern Virginia. Cotton has emerged as the primary cash crop in the peanut area. Areas north of the James River also find cotton fits well into farming operations. Prior to 2003, cotton production had stabilized at around 100,000 acres. With low prices, farmers found that staying within their cotton base was necessary to manage risk. However with prices above 60 cents per pound, wildcat acres can be profitable as Virginia has some of the lowest production costs in the US. With a favorable price outlook for 2004, the expansion of acreage is likely as farmers seek to enhance the profitability of their operations.