

CALIFORNIA PLANTING COTTON SEED DISTRIBUTORS

SEED PRICE COMMITTEE

2201 F Street
Bakersfield, California

Committee: Kenneth Frick, Chairman; Rufe Aker; Otis Page; Harold Jewett; Karl Schneider; Ray Noland; Waldo Weeth; Jack Chezick.

The purpose of this meeting is two-fold:

1. To recommend to the Board of Directors the price of planting seed for 1962 including the extra charges.
2. To review recommendations of a committee headed by Waldo Weeth made to the new Board of Directors on July 26, 1961, at the Annual Meeting of newly elected Board, and that

The Board requests that your Committee consider those matters pertaining to extra charges, costs, and Research, and then make your recommendations to the Board.

Mr. Weeth's committee has been appointed by the Ranchers Cotton Oil Company; they are not recommending or pushing any of these recommendations.

Attached you will find the following:

1. History of Distributors, Seed Standards versus Certification.
2. Recommendation #1.
3. Weeth's letter read to the Board on July 26, 1961, dated July 25, 1961.
4. John Turner's letter to the Board regarding the recommendations.
5. Sample of materials supplied your Committee over the years.

In considering these matters there are several important points to be kept in mind:

1. That our written agreements with the U.S.D.A. places the responsibility on the Distributors to produce sufficient planting seed at all times to protect every grower for normal use and emergencies in the least possible time and at the lowest possible cost.
2. That the purity and quality of the seed in the various stages of the increase program be maintained at all times in order that the growers may have the advantages of the latest improvements from the breeding blocks at the Shafter Station.
3. That we have the lowest priced high quality planting seed in the cotton belt except Arizona and their program is now in jeopardy.
4. That the Distributors are obligated to pay all non-technical salaries at the Shafter Station and support the Research program by the purchase or lease of equipment and to support cotton Research with the University of California.

HISTORY OF DISTRIBUTORS

Seed Standards and Seed Certification

CALIFORNIA PLANTING COTTON SEED DISTRIBUTORS

2201 F Street

Bakersfield, California

1. Organized as an association in 1925.
2. Incorporated as a non-profit corporation under California Laws in 1935.
3. Standards and Definitions of types of seed established in 1926 in cooperation with U. S. D. A.
 - A. Increase seed, product of breeding blocks raised on Station or on ground approved by U. S. D. A. and Distributors and ginned at Station Gin.
 - B. Foundation product of Increase grown and ginned as above.
 - C. Parent product of foundation to be grown and ginned as above.
Note: Increase, foundation and parent now grown outside of station and ginned at one gin. Parent and yellow tags now Purple.
 - D. Superior seed, general planting seed now called green tag. Originally had Blue tags.
 - E. Isolation to be one mile. Changed to one-half mile unless another strain is found then it is changed back to one mile.
 - F. All planting seed cotton to be put in clean bins, all seed sacked and all ginning machinery to be cleaned before running pure seed.
 - G. All fields must be free of noxious and other weeds and properly grown, or fields would be rejected and seed had to be milled.
- H. Two Seed Pools-
 1. Growers pool- Producer paid all costs, received no oil mill price at ginning time and was not guaranteed against loss. Received no money until seed was sold.
 2. Finance pool- Cooperators advance all costs and grower received mill price at ginning time. Guaranteed against loss.
Note: Later both pools combined so all settlements are on same basis.
- I. Price of seed based on average oil mill price during seed saving season plus extra cost of producing planting seed.
- J. All cooperators to save seed above own needs as directed by Distributors.
- K. As industry expanded some cooperators have had to save 100% above own needs so that Distributors can meet their obligation of producing sufficient seed for all growers.

L. Our agreement with the U.S.D.A. is that we are obligated to save sufficient seed in the least possible time and at the lowest possible cost.

REGISTERED AND CERTIFIED SEED

1. When the Federal Seed Act was enforced about 1940 we were shipping large quantities of seed to Texas, Oklahoma, Mexico and Arizona. The breeders in the crop improvement association of Texas objected to Washington, as we then called our Yellow tag seed Registered.
2. The State Department of Agriculture approved the Distributors as qualified to produce Registered and Certified seed under their supervision and due to our high standards instead of saddling us with the extra cost of inspectors, to do what we were already doing, they appointed our Agricultural Commissioner as their certifying agent.
3. After twelve years the Director influenced by a self-appointed committee thought he should write up some regulations for a skeleton law on the books. We couldn't live with them so asked the Legislature to delete the law.
4. If we needed Certification there is a section in the agricultural code that permits the Director in consultation with the Directors of the Experiment Stations of the University to approve an organization to produce certified Seed. The Director was willing but the University objected on the grounds that we controlled the seed from planting through sales so we stopped producing certified seed.
5. Under this arrangement our Standards were set with a minimum of 80% germination, 99% purity and varietal 99.9% purity determined by the Director of the Shafter Station. It is ~~claimed~~ ^{intended} we have no standards.
6. We work very closely with the State Department and they with us.

STATE OF CALIFORNIA
DEPARTMENT OF AGRICULTURE
Sacramento

January 30, 1940

TO WHOM IT MAY CONCERN

This is to certify that the California Planting Cotton Seed Distributors is, for the purposes of the requirements of the Federal Seed Act and regulations thereunder, an officially recognised agency for the increasing and distribution of registered cotton seed in California. This official recognition will remain in effect until suspended or canceled by this Department.

This action is taken by this Department with complete understanding of the agreement between the said Organization and the U. S. Cotton Experiment Station at Shafter, California.

This Department has been acquainted with the development of the one variety cotton program since its inauguration and believes that the program as to parent seed, increased plots, and distribution of seed is not only properly established and protected, but is also of tremendous benefit to the cotton industry.

Very sincerely

W. B. Parker
Director

WEETH COMMITTEE RECOMMENDATION NO. 1

The present division of incentive payments for producing and saving of cotton planting seed seems to be fairly equitable in origin and intent, but over a period of time has become badly unbalanced.

We recommend that with the beginning of the year 1961-62, that an upward adjustment be made to the co-operating planting seed grower along the following lines, because to the best of our knowledge none have been made previously.

(a) Since the beginning of the planting seed program in or about 1925, a number of upward adjustments have been made to the co-operator to compensate for additional costs of labor, sacks, storage, insurance, interest, investment, etc.

Management and the Directors have apparently assumed the growers costs have remained static, which is not true. His costs have risen commensurate with those of the co-operator.

For example:

According to the Cotton Planting Seed Distributors, figures from 1949-50 to 1959-60, an eleven year period, the extra cost of handling planting seed advanced from \$36.00 per ton to \$43.68 or \$7.68 per ton or 21-1/3 per cent. This program has been in effect for approximately 36 years. If these percentages are relative for the entire time, then approximately 65 per cent should be added to the co-operating growers original \$7.50 per ton incentive payment or approximately \$4.90 making a total initial payment of \$12.40 per ton to the grower.

(b) In the recommended costs for handling seed, our committee feels that the Item of Growers Incentive, and Pool Risk should be two separate items. It represents such a large percentage of the total cost that it needs clarification.

RECOMMENDATION NO. 1

1. That the Growers' return be increased.
 - A. That the split of the first \$7.50 to the Grower and the balance 50-50 be increased to at least the first \$12.50.
This is not the place to get the Grower more money. On this basis the Grower would not have received \$12.50 for ~~eight~~ ^{four} out of the past twelve years and the Cooperator would not have received anything ~~four~~ out of the past twelve years.
 - B. The pool settlement has always been on a tonnage and acreage percentage basis on the theory that if a Grower kept his fields clean and did his part that he was entitled to some return if for no reason of his own he could save no seed.
 - C. Many splits have been discussed and some tried. First \$5.00 and balance 50-50. This made the Cooperators share out of proportion to the Grower. \$7.50 was settled on and the balance was discussed of 80-20, 60-40 and 75% tonnage and 25% acreage seemed to be most equitable. It has remained at this rate as there have been no complaints until now.
 - D. This matter is in the hands of the Pool Settlement Committee.
2. The Price and Extra Charge Committee have discussed this matter each year.
 - A. Their decision has been that a grower is entitled to a return for his extra weeding that it takes to qualify a field but not for his normal weeding costs.
 - B. They have increased the Growers Incentive and Pool Risk several times to assist the Grower.
 - C. There are two ways that the Grower may receive more money.
 1. Take part from the Pool Risk and add it to the extra charges and deduct from the Pool Risk to keep price the same. The danger here is if the Pool Risk gets too low the settlement can turn out in red ink. Who would pay this?
 2. Add to the price of seed.

Extra Charges

* Amount retained by Cooperators.

Here these amounts are handled by each Cooperator is a matter of book-keeping - No two auditors mark the same.

	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	
Extra ginning	\$ 700	720	725	725	750	750	
Sacks + twine	1000	900	940	1020	1000	1065	
Hauling + distribution	1100	1080	1000	1000	1000	1000	
Storage	350	350	375	375	375	375	
Interest	325	375	325	325	360	370	
Taxes	225	250	250	250	250	250	
Insurance	350	4050	350	375	325	375	
Handling charge	475	475	500	600	600	650	
Research		4525	4500	4490	4670	4710	
Average price paid grower	\$ 4596	6215	5209	4265	4523	5239	
growers Incentive + Pool Risk	2779	2785	2801	3565	3567	3924	
Selling Price of Seed	\$ 13900	13500	12500	12500	12800	15000	

Figures below show 7.50 per 100 added to extra charges and deducted from growers Incentive + pool Risk.

Extra ginning	\$ 700	720	725	725	750	750	
Sacks + twine	1000	900	940	1020	1000	1065	
Hauling + Distribution	1100	1080	1000	1000	1000	1000	
Storage	350	350	375	375	375	375	
Interest	325	375	325	325	360	370	
Taxes	225	250	250	250	250	250	
Insurance	350	4050	350	375	375	4110	
Handling charge	475	475	500	600	600	650	
Research	—	—	—	—	—	1000	
grower guarantee	750	5275	750	5250	750	5460	750
Average Price paid grower	4596	6215	5209	4265	4523	5239	
growers Incentive + Pool Risk	2029	2035	2051	2815	2817	3176	
	\$ 11900	13500	12500	12500	12800	15000	

YEAR	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61
SELLING PRICE	\$ 119.00	\$ 135.00	\$ 125.00	\$ 125.00	\$ 138.00	\$ 150.00
TONS PRODUCED	25,300	24,598	24,323	26,861	25,073	27,229
TONS SOLD PLANTING	19,333	18,909	16,219	19,792	21,715	17,834
SURPLUS	3,903	3,964	6,484	5,875	1,979	8,524
RESERVE	2,064	1,725	1,619	1,194	1,377	768
 TOTAL EXTRA CHARGES	 14.13	 43.90	 43.23	 45.12	 46.29	 52.65
AV. OIL MILL	45.96	62.15	52.09	46.65	45.23	52.39
TOTAL DEDUCTIONS	90.09	106.05	95.32	87.77	91.52	105.04
 POOLING PRICE	 109.13	 119.79	 104.28	 111.50	 118.15	 122.88
TOTAL DEDUCTIONS	90.09	106.05	95.32	87.77	91.52	105.04
AMT. TO BE DISTRIBUTED	19.04	19.74	8.96	23.73	26.62	17.84
GROWER- 1st. \$7.50- 50% BAL.	13.27	10.62	8.23	15.62	17.06	12.67
COOPERATOR- 50% BALANCE	5.77	3.12	7.3	8.11	9.56	5.16

IF WE TOOK \$7.50 FROM THE GROWERS INCENTIVE AND POOL RISK AND ADDED IT TO THE EXTRA CHARGES AS A GROWER GUARANTEE AND KEPT THE PRICE OF SEED THE SAME, THE SPLIT WOULD BE AS FOLLOWS: THE DANGER HERE IS THAT SOME YEARS MIGHT SHOW UP RED INK. WHAT THEN?

TOTAL EXTRA CHARGES	51.63	51.40	50.73	52.62	53.79	60.15
AV. OIL MILL	45.96	62.15	52.09	46.65	45.23	52.39
TOTAL DEDUCTIONS	97.59	113.55	102.82	95.27	99.02	112.54
 POOLING PRICE	 109.13	 119.79	 104.28	 111.50	 118.15	 122.88
TOTAL DEDUCTIONS	97.59	113.55	102.82	95.27	99.02	112.54
AMT. TO BE DISTRIBUTED	11.54	6.24	1.46	16.23	19.13	10.34
GROWER- \$7.50- 50% BALANCE	9.52	6.24	0000	11.87	13.22	8.92
COOPERATOR- 50% BALANCE	2.02	000	-	4.36	5.81	1.42
 ADD \$7.50 to GROWER	 17.02	 13.74	 8.96	 19. 37	 20.92	 16.42
COOPERATOR REMAINS SAME	2.02	000	00000	4.36	5.81	1.42

be here added 3.5% to charges

The more the split + to grow the less the carrying fees
The less the split + to grow the more the carrying fees

for your own gratitute

Total Extra charges	5113	5140	5073	5262	5379	6015
an 8% mill	<u>5113</u>	<u>6215</u>	<u>5209</u>	<u>4265</u>	<u>4323</u>	<u>5239</u>
Total deductions	10326	11355	10283	9527	9902	11254
Pooling Price	10913	11979	10428	11150	11815	12288
Total Deductions	<u>10326</u>	<u>11355</u>	<u>10283</u>	<u>9527</u>	<u>9902</u>	<u>11254</u>
Amnt + less distributed	587	624	195	1623	1413	1034
from $\frac{1}{5}$ 00 - Balance 5024	543	562	145	1061	1206	767
Cooperat or - 50%	43	62	000	562	706	267
Add 3.5% from 4 to charges + grow.	1293	1312	895	1811	1986	1517
Cooperative Return	43	62	000	562	706	267

WEETH'S LETTER TO DIRECTORS

READ AT ANNUAL MEETING JULY 26, 1961

July 25, 1961

California Planting Cotton Seed Distributors
Board of Directors and Advisory Committee

Gentlemen:

We have submitted to you by mail, what we believe to be a number of constructive recommendations that the Board should adopt in order to remove present iniquities and discrimination.

We have mentioned in the report that we mailed to the Directors and advisors, that the co-operating growers have not been compensated for increased costs in the same manner that co-operators have.

That is only part of the iniquities. According to the 58,354 acres planted last year of purple tag, 15,462 acres were rejected or an average of 26.5%. Some co-operators lost as high as 64% of their acreage. Normally there is only one variety to contend with, so isolation is no problem, it is strictly a case of weeds, field appearance or sprinkler irrigation.

As a comparison, California Crop Improvement Association, under California State Laws of Seed Certification, inspected in excess of 185,000 acres, (three times the acreage of cotton planting seed) of all varieties of seed with a multiple of problems varying from mixtures, isolation, volunteers, weeds, field appearance, disease, etc. and the highest rejection does not exceed 10 or 12%, which would be Sorghums or Sudan that are extremely bad about cross pollinating to less than 2 or 3% for various cereal grains. In other words, rejections on field inspection of cotton acreage for planting seed will run about 3 times as high as for seed certification.

Even though this field inspection seems unduly severe, the cotton grower would not be entitled to complain if these same strict regulations held true for all co-operators, but they do not. For example there is no requirement saying how high the purity must be.

As a comparison, under C.C.I.A. Seed Certification, Alfalfa seed must be 85% germination or better, and 99.5% purity and better after all processing is completed. Under C.C.I.A. regulations, the end result is a much higher, more uniform quality of seed.

It is our understanding that samples are drawn of cotton planting seed as it is saved. These samples are stored until the seed saving period is over. In due course of time an analysis is run on these samples, and that test is to represent the tonnage of planting seed that may be stored in bulk in sizeable tonnages, and later is delinted, and in most cases graded, but not mandatory, also treated but not mandatory, maybe two or three treatments but no further testing as to germination or purity. In mechanical harvesting, often times some picking machines are bad about cracking seed. If the seed is not

graded, then cracked, thin, or immature seed all goes in the planting seed bag together.

Inspection crews have been extremely tough on growers, but when the planting seed reaches the co-operator, then regulations become extremely lax.

EXTRA GINNING COSTS

These are based on the honor system and generally represent the maximum cost of doing a job. Since this program was not set up to operate on a competitive basis, it is gradually working in the direction of some war time government contracts of "Cost plus", with the costs representing the most inefficient co-operator with the independent grower on each end of the chain being clipped unnecessarily.

NOT TO MAKE MONEY

It has been preached many times that the co-operating planting seed grower is not supposed to make money on growing planting seed. He is supposed to get all of his advantages in the additional attributes of the newer strain of cotton. Sometimes it may be two or three years before those attributes are recognized by the mill trade in monetary advantages, and by that time all growers have the same advantage and the planting seed grower is growing still a newer strain that will have its day. What is good for the Goose is good for the Gander.

We are not presenting these facts just for the sake of argument, but in the interest of justice and in the preservation of this valuable public variety of cotton. There will always be enough natural unavoidable iniquities without injecting some that we now have, and they are becoming more and more apparent.

To try and defend some of these publicly takes time, money, and effort, that could best be spent more constructively.

RESEARCH

For example, for a period of years now, sizeable contributions have been made annually to the Shafter Station for much needed equipment. Only those closest to this organization have been entirely aware of this expenditure. In most cases, these grants have been made by the Board of Directors from funds obtained on the sale of surplus seed. We are sure the great majority of the growers would be whole-heartedly in favor of what was done, but they would like to feel they were part of the act. Even though the grants were made from surplus seed sales, indirectly the grower paid the bill and should have been given credit for the donation.

A one page bulletin could be printed for every Gin bulletin board, stating the nature, need, and amount of the grant which would immediately tie a grower's interest to the Shafter Station, and his investment in the Acala 4-42.

This year because of interest in Delta Pine "Slicker Leaf" out of state sales of surplus 442 planting seed has dwindled to a small fraction of the former demand.

Now without any fore warning, a direct charge of \$10.00 per ton is assessed against planting seed for Research. It becomes public information, now, what indirectly growers have been paying for all along.

A. LOCAL PLANTING SEED CASE

In our community, a small group of us growers were growing planting seed, and according to the District Manager of the Line Company, we were ginning with, figured at one time, we produced about 1/6 of all the green tag planting seed. Today we do not produce any, and unless we are needed, we have no intentions of renewing the planting seed venture.

We used to average from \$5.50 to \$6.50 per acre gross for the approved cotton planting seed acreage. We always had the best of friendship and public relations with that Company. They paid off according to the rules of California Planting Cotton Seed Distributors, so we had no reason to be unhappy with the Company.

As grower restrictions became tougher, and then when our sprinkler acreage was thrown out, that complicated the problem some more. The Company even built another gin to take care of that acreage. We were finally forced down on planting seed acreage to the point where it became a nuisance to most of us and a hindrance to our normal operation. Furthermore, the additional revenue had dwindled to a point where it made one mad instead of obtaining a small amount of satisfaction or pleasure from the effort.

Due to economic pressures, our next effort naturally started moving in the direction of getting more from the gin seed, which ultimately ended in seven of our group building a \$300,000 Co-operative Gin.

I have personally been on both sides of the fence. During the past seven months, our committee has swapped figures, and stories. It has been very enlightening to say the least. During the last two months, I have personally visited each of the Co-operative Gins that save planting seed. I personally have been growing and processing certified seeds of various kinds for 31 years, and have a sizeable plant of my own. In ten or fifteen minutes of observation of these various gins that save planting seed, I knew most of their

problems and a great deal about the efficiency of these individual units.

While I did not visit Company plants, I do know from experience that where all the seed goes to central locations for delinting, grading, and treating, they will be more efficient than the small units that were built for local needs.

Without giving away trade secrets, net returns on handling planting seed varied widely depending on the efficiency of the local units. Those variations averaged from a little over \$20.00 per ton net above the best patronage oil mill returns to a net of \$60.00 per ton. These net returns are paid to grower members in terms of dividends. For an efficient co-operator there is definitely a great deal more money in planting seed than in mill seed, yes, even if you owned the most efficient oil mill.

When anyone says a planting seed grower is not supposed to make any money on growing planting seed, we wonder if a raspberry might not be in order.

Getting back to our original point where we recommended that the co-operating growers incentive payment should be adjusted upward commensurate with that of the co-operator which would give the grower approximately \$12.50 per ton above Gin Seed price instead of the present \$7.50, we are being very conservative.

Furthermore, if greater caution is used in preventing padding of extra ginning costs, then the cost of higher more uniform quality planting seed can be made available to all growers at more reasonable prices.

Thank you,

s/Waldo Weeth

GERMINATION TESTS

1. All germination tests are done by the State Seed Laboratory at Sacramento.
2. Fuzzy samples are taken at the gin from each grower's lot. Then two composite samples are sent to the State. These run from 80% to 97% with purity of 99% on all samples. Varietal purity is 99.9% and this is determined by the U.S.D.A. at Shafter.
3. Mr. Weeth's report states there is no further testing for germination or purity. All delinted seed is tested in the same manner as the Fuzzy with the exception that in bulk seed a composite of lots is taken. These run from above 80% to as high as 99% germination and purity is 99% or better.
4. We label all seed 80% due to the fact that in dealing with so many Cooperators, if the average of one should show 85% and one 95%, it would tend to have people demand the higher germination and still the other seed would be excellent seed.

We deliver no seed under 80%. If any test is below 80% a portion of the same sample is re-run or a new sample is taken. Purity is 99%.

5. We have the full approval of the State Department in our seed work.

There is a dormant period in cotton seed when low or no germination is possible. For this reason we do not germinate seed when first ginned as no one knows when this period begins or ends. We do, however, run a few spot tests to see what is happening.

Treating and Delinting

Delinted samples are tested by the State Laboratory for germination.

We are aware of the seed cracking in pickers. This was remedied at one time and we have requested the University and U.S.D.A. engineers to make a further study this year.

Field Inspections and Rejections

Our inspections are impartial. They are strict but we feel they are just. Our regulations are approved by the U.S.D.A. and were approved too by the State Department of Agriculture when we produced certified seed for twelve years. Our rejections run high in instances, for we have many growers who farm clean and therefore those that have weeds must clean up or be rejected to be fair to the others.

No one can argue the point that we can be more lenient with our inspections if we want to drop the standards that we have maintained for years. I am sure no one wants to do this.

There is a great difference between crops as far as weeds are concerned. It is just easier to clean low row crops than it is cotton.

Extra Ginning Costs

Waldo is on this committee. We send out each year to all Cooperators questionnaire giving last year's charges and asking the managers to give their actual costs for the past season. This table is presented to the committee, with Kenneth Frick as Chairman, together with an analysis of each item and where we know actual cost of an item, this is given. As anyone should know, it is hard to break down labor costs for each item of operation and the human element enters into this as none of us think alike. We have to assume that the managers are responsible people and we take their word for their operation. We cannot go in and audit each gin's books.

When it is said that the profit runs from \$20 to \$60 per ton on planting seed, this gives a false impression. It is the manager's way of keeping books and his breakdown. \$60 is out of the question as our extra charges are only about \$47 if they have no expense at all. As Mr. Markarian said, these figures did include some other services. Delinting must be a part of that.

In our contact with managers, some tell us they lose money on the seed program and cannot come up to some of the oil mill seed returns. This is another matter of bookkeeping.

As I said at the meeting, in such a large program there are bound to be inequities and it has been felt that a gin should be permitted to make up a portion of the amount he would get for oil mill seed if he were to have the planting seed in his mill run.

If we could cut \$10 out of the extra charges, we would only be talking about 1/2¢ per lb.

I have found no Cooperator who thinks the price should be lowered.

Research

When the Directors said in July, 1960, we should recommend to the Committee that they should include an amount for research in this year's price, we started to get this information out by word of mouth, by articles, and on our seed price cards hanging at each gin since January or March this item has been for the growers to see. The problem of how to get people to absorb information confronts every organization. Human nature being what it is, we cannot force people to remember or to read things. We can try to do better.

Not To Make Money

This paragraph seems to me to be ambiguous and merely an observation.

Reasons For Using Best Burlap

Mr. Markarian, on July 26th, asked why we could not use $7\frac{1}{2}$ oz. as in the early years; that he had never had any trouble with $7\frac{1}{2}$ oz.

We used $7\frac{1}{2}$ oz. until it came to a point that there was too much breakage in storage and handling. When a sack was dropped or stacked too high in storage it split open, which meant resacking and when spilled seed was scooped up, it was with dirt and trash. Naturally when a man received a sack, it was in good shape, but no one realized the cost in storage.

A sack of delinted seed runs about 12¢ per pound, or \$9.60 for 80 lbs. The difference between our good burlap and $7\frac{1}{2}$ oz. is only 8¢ for a sack to hold 80 lbs. of seed.

The package is something we can take pride in and the loss in storage is practically nil.

It is simple for any of us to ask questions or to criticize if we do not know the background. This does not mean that we should not have criticism for it is good and brings out the reasons.

JOHN TURNER

Letter regarding Weeth's recommendations

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL RESEARCH SERVICE
U. S. Cotton Field Station
Route 1, Box 17
Shafter, California

July 25, 1961

Seed Distributor Directors
California Planting Cotton Seed Distributors,
2201 "F" Street
Bakersfield, California

Regarding: Recommendations presented from Waldo Weeth's committee.

Gentlemen:

After studying Mr. Weeth's proposals, here is my thinking on the various recommendations:

1) This first recommendation is concerning possible inequities with growers payments verses cooperators payments. I am sure this is not the intent of the organizations and if differences are found I am sure the growers payment can be adjusted. What must be kept in mind in this regard is the fact that the purpose of the Seed Organization is to multiply pure seed as efficiently as possible with no intent that either the cooperators or pure seed growers make a profit, since cotton seed is only a by-product in the cotton program and not to be looked upon in the same light as pure seed production for such as corn, grain crops or alfalfa.

2 and 3) These deal with the question of saving seed from sprinkler irrigated fields. This is a temporary restriction where the Distributors have followed very closely the recommendations of the Pathology Department at Davis and the Experiment Station at Shafter. Our thought was that some extra restrictions and hardships for a very few years among the growers and ginners could eradicate this disease and therefore would be much less costly than engaging on a time consuming and perhaps an unrewarding breeding effort for obtaining blight resistance. These measures have really paid off. At the end of this season it may be that these restrictions can be either eliminated or minimized considerably.

4 to 7) These deal with the manner of sacking, processing and handling of pure seed. The items presented may need to be restudied



and perhaps greater efficiency may result from some modifications. However, the organization must do everything possible to maintain the identity of white and purple tag seed since we expect to continue giving improvements in the seed releases from the station.

8) This deals with the question of how much reserve seed is justified. This has been a very difficult question to answer. If our organization is willing to forget the potential sale of any seed any year outside of the San Joaquin Valley it may be possible to reduce the total seed saved. On the other hand, the seed saving committee must be somewhat of a "crystal ball gazer" as to the constantly changing government programs affecting acreage and make sure sufficient seed of known quality are saved.

These are my only thoughts on the proposed recommendations at the present time. If any findings are brought to light with these or other recommendations, I will be glad to study the feasibility of such suggestions in light of the major purposes of the breeding and seed increase program. This joint endeavor between the government and cotton industry has for many years been a most beneficial arrangement for the good of the growers and all phases of the cotton industry through the textiles. Certainly none of us would care to jeopardize the success of such a program. Yet anytime improvements can be made we should all give full consideration and study how to instigate such improvements.

Yours to serve,

John H. Turner
John H. Turner
Agronomist-In-Charge

JHT/bb

CC: Dr. Barker
Dr. Love
Dr. Aldrich

SAMPLE OF MATERIAL FURNISHED COMMITTEE
EACH YEAR

"D"

Pooling Comparison on 2 Seed Prices and 3 Tonnages

	<u>\$ 150.00 per ton</u>	<u>\$ 147.00 per ton</u>
Extra Charges	58.60	58.60
Average Oil Mill Price	52.39	52.39
Grower's Incentive & Pool Risk	39.01	36.01
	<u>\$ 150.00</u>	<u>\$ 147.00</u>

17,000 Tons

17,000 sold for planting	\$ 2,550,000.00	\$ 2,499,000.00
8,000 sold for crushing @ \$53	424,000.00	424,000.00
2,000 sold to Reserve @ \$51	102,000.00	102,000.00
	<u>\$ 3,076,000.00</u>	<u>\$ 3,025,000.00</u>

Pooling Price	113.93	112.04
Extra Charges with Research		
and Handling Charge Pro-rated	<u>104.88</u>	<u>104.88</u>
Grower's Incentive & Pool Risk	<u>9.05</u>	<u>7.16</u>

Grower	8.28	7.16
Company	<u>.77</u>	<u>7.16</u>
	<u>9.05</u>	

18,000 Tons

18,000 sold for planting	\$ 2,700,000.00	\$ 2,646,000.00
7,000 sold for crushing @ \$53	371,000.00	371,000.00
2,000 sold to Reserve @ \$51	102,000.00	102,000.00
	<u>\$ 3,173,000.00</u>	<u>\$ 3,119,000.00</u>

Pooling Price	117.52	115.52
Extra Charges with Research		
and Handling Charge Pro-rated	<u>105.49</u>	<u>105.49</u>
Grower's Incentive & Pool Risk	<u>12.03</u>	<u>10.03</u>

Grower	9.77	8.77
Company	<u>2.26</u>	<u>1.26</u>
	<u>12.03</u>	<u>10.03</u>

20,000 Tons

20,000 tons sold for planting	\$ 3,000,000.00	\$ 2,940,000.00
5,000 sold for crushing @ \$53	265,000.00	265,000.00
2,000 sold to Reserve @ \$51	102,000.00	102,000.00
	<u>\$ 3,367,000.00</u>	<u>\$ 3,307,000.00</u>

Pooling Price	124.70	122.48
Extra Charges with Research		
and Handling Charge Pro-rated	<u>106.82</u>	<u>106.82</u>
Grower's Incentive & Pool Risk	<u>17.88</u>	<u>15.66</u>
Grower	12.69	11.58
Company	<u>5.19</u>	<u>4.08</u>
	<u>17.88</u>	<u>15.66</u>

COMPARATIVE PRICE FIGURES
1953-54 to 1960-61

"C"

	1953- 1954	1954- 1955	1955- 1956	1956- 1957	1957- 1958	1958- 1959	1959- 1960	1960- 1961
Extra Ginning	7.00	7.00	7.00	7.20	7.25	7.25	7.50	7.75
Sacks & Twine	10.50	9.50	10.00	9.00	9.40	10.20	10.00	10.65
Hauling	12.50	11.50	11.00	10.80	10.00	10.00	10.00	10.00
Storage	3.50	3.50	3.50	3.50	3.75	3.75	3.75	3.75
Interest	3.75	3.75	3.25	3.75	3.25	3.25	3.60	3.70
Taxes	2.50	2.50	2.25	2.50	2.50	2.50	2.50	2.50
Insurance	3.50	3.50	3.50	3.50	3.75	3.75	3.75	3.75
Research	----	----	----	----	----	----	----	10.00
Distributors'								
Handling Charge	4.00	4.00	4.75	4.75	5.00	6.00	6.00	6.50
	47.25	45.25	45.25	45.00	44.90	46.70	47.10	58.60

Average price of
cotton seed to
grower..... 53.93 60.00 65.96 62.15 52.09 42.65 45.23 52.39

Grower's Incentive
& Pool Risk..... 26.82 26.73 27.79 27.85 28.01 35.65 35.67 39.01

SEED PRICE....128.00 132.00 119.00 135.00 125.00 125.00 128.00 150.00

Seed Price - 1960-61:

1. Extra Ginning has been increased 25¢, Sacks and Twine 65¢, Interest 10¢, Handling Charge 50¢, Grower's Incentive and Pool Risk \$3.34.
2. Research item in the amount of \$10.00 has been added.
3. Average price paid grower increased \$7.16 over last year. This plus increases in extra costs in handling planting seed and adding the Research item makes a total increase of \$22.00 or \$.011 per pound.

CALIFORNIA PLANTING COTTON SEED DISTRIBUTORS
1960-61 EXTRA CHARGES QUESTIONNAIRE

Extra Ginning 1959-60	Sacks and Twine			Distributors				Company Remarks
	Handling	Storage	Interest	Taxes	Insurance	Handling Charge	Total	
Extra Charges	10.00	10.00	3.75	3.60	2.50	3.75	6.00	47.10
7.50	10.00	10.00	3.75	3.80	2.50	3.75	6.00	48.80
7.50	10.00	10.00	3.75	3.60	2.50	3.75	6.00	47.10
7.50	10.35	10.00	4.00	3.96	2.50	3.75	6.25	48.31
7.50	10.50	10.00	3.75	3.60	2.50	3.75	6.00	47.60
7.50	10.36	10.00	3.75	3.60	2.50	3.75	6.00	47.46
7.50	14.37	10.00	3.75	3.60	2.50	3.75	6.00	51.47
7.50	10.00	10.00	3.75	3.60	2.50	3.75	6.00	47.10
8.00	13.00	10.00	3.75	3.60	2.60	3.75	6.00	50.70
7.50	10.00	10.00	3.75	3.60	2.50	3.75	6.00	47.10
7.50	10.00	10.00	3.75	3.60	2.50	3.75	6.00	47.10
7.50	10.00	10.00	3.75	3.60	2.50	3.75	6.00	47.10
7.50	10.00	10.00	3.75	3.60	2.50	3.75	6.00	47.10
8.25	10.35	10.00	3.75	3.60	2.50	3.75	6.00	48.20
7.50	10.00	10.00	3.75	3.60	2.50	3.75	6.00	47.10
7.50	10.00	10.00	3.75	3.60	2.50	3.75	6.00	47.10
7.50	10.00	10.00	3.75	3.60	2.50	3.75	6.00	47.10
7.75	10.43	10.00	3.75	3.27	2.52	1.05	6.00	46.77
7.50	10.00	10.00	3.75	3.60	2.50	3.75	6.00	47.10
7.50	10.00	10.00	3.75	3.60	2.50	3.75	6.00	47.10
7.50	10.00	10.00	3.75	3.60	2.75	3.75	7.00	48.35
8.00	10.00	10.00	4.00	3.60	2.75	4.00	6.00	48.35
7.50	10.00	10.00	3.75	3.60	2.50	3.75	6.00	47.10
7.50	10.00	10.00	3.75	3.60	2.50	3.75	6.00	47.10
7.50	12.00	10.00	3.75	3.80	3.20	3.75	6.00	50.00
8.00	10.00	10.00	3.75	3.60	2.50	3.75	6.00	47.60
7.89	8.73	10.00	2.00	3.60	2.50	3.75	6.00	44.47
198.39	271.09	260.00	96.25	94.03	66.32	95.05	157.25	1,238.38
Average:	7.63	10.43	10.00	3.70	3.62	2.55	3.66	47.63

CALIFORNIA PLANTING COTTON SEED DISTRIBUTORS
SEED POOLING INFORMATION
1948-49 THROUGH 59-60

<u>Year</u>	<u>Tons Produced</u>	<u>Tons Sold for Planting</u>	<u>Planting Seed Price</u>	<u>Tons Sold for Crushing</u>	<u>Price Paid for Crushing</u>	<u>Tons Sold to Reserve</u>	<u>Price Paid for Reserve</u>	<u>Pooling Price</u>	<u>Top below Pooling Price</u>
1948-49	21,091	14,459	\$ 131.00	4,799	Aver. \$44.62	1,833	\$ 85.00	\$ 113.	17.87
1949-50	17,809	11,714	101.00	4,013	65.00	2,083	65.00	91.	9.40
1950-51	23,100	22,603	160.00	-----	-----	497	70.00	158.	1.94
1951-52	33,734	30,047	138.00	1,357	65.00	2,330	50.00	128.	9.03
1952-53	35,226	29,679	130.00	4,508	Aver. 65.17	1,039	60.00	119.	19.37
1953-54	23,441	19,883	128.00	1,910	63.00	1,648	65.00	118.	9.73
1954-55	25,689	21,028	132.00	2,363	60.00	2,298	75.00	120.	11.73
1955-56	25,300	19,333	119.00	3,903	Aver. 65.49	2,064	75.00	109.	9.87
1956-57	24,598	18,909	135.00	3,964	Aver. 70.20	1,725	60.00	119.	18.21
1957-58	24,322	16,219	125.00	6,484	Aver. 64.75	1,619	65.00	104.	20.75
1958-59	26,861	19,792	125.00	5,875	78.50	1,194	50.00	111.	18.50
1959-60	25,073	21,715	128.00	1,979	Aver. 56.87	1,377	51.00	118.	9.05
<u>Average</u>	<u>25,523</u>	<u>20,531</u>	<u>\$ 129.33</u>	<u>3,430</u>	<u>\$ 58.22</u>	<u>1,642</u>	<u>\$ 64.25</u>	<u>\$ 117.</u>	<u>11.60</u>

1. Decimal places have been left off the tonnages.

2. In some instances, where more than one price has been paid for crushing seed, an average has been used above.

3. The above will make slight differences in totals if anyone tries to balance a particular year, but this gives a key to the breakdown of the pooling arrangements.

Poolin Price	rop below U.S. Price	Average Seed Price Paid Grower at Gin	Extra Cost of Handling Planting Seed	Growers Incentive to Pool Risk	Pooled Spread	Amount Paid to Grower	Amount Paid to Cooperator	State Acreage
\$ 113.	17.87	\$ 75.68	\$ 36.00	\$ 19.32	\$ 1.45	\$ 1.45	\$ -----	804,000
91.	9.40	45.53	36.00	19.47	10.97	154.50 ^{balance 50-50} 7.53	2.53	957,000
158.	1.94	100.66	39.50	19.84	17.07	154.50 ^{balance 50-50} 11.65	6.65	581,000
128.	9.03	73.70	46.50	19.80	10.99	154.50 ^{balance 50-50} 7.99	2.99	1,320,000
119.	10.37	67.97	39.00	23.03	12.94	154.50 ^{balance 50-50} 10.24	2.74	1,386,000
118.	9.73	53.93	47.25	26.82	17.70	12.60	5.10	1,340,000
120.	11.73	60.00	45.25	26.75	15.75	11.63	4.12	883,000
109.	9.87	45.96	45.25	27.97	19.04	19.27	5.77	745,000
119.	18.21	62.15	45.00	27.05	13.47	10.62	3.12	749,000
104.	20.73	52.07	44.90	28.91	8.96	8.23	.73	711,000
111.	19.50	42.65	46.70	35.65	23.73	15.62	8.11	732,000
118.	9.85	45.23	47.10	35.67	26.62	17.06	9.56	875,000
117.	11.60	60.46	45.04	25.84	14.82	10.64	4.26	921,133

above.
a key