

Development of Co-operative Cotton Ginning



Development of COOPERATIVE COTTON GINNING

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Farm Credit Administration
Cooperative Research and Service Division

Washington, D. C.

Circular C-112

April 1939

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Copies of this publication may be obtained upon request, while a supply is available, from the

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Summary

COOPERATIVE cotton ginning is the most rapidly growing cooperative enterprise in the South today. In 1920 there were fewer than a dozen cooperative gin associations in the Cotton Belt, whereas during the 1937-38 season there were 424. With these facilities the 60,000 farmer members of these associations ginned about 1,200,000 bales, or approximately 7 percent of the entire 1937-38 cotton crop. More than 500 associations operated during the 1938-39 season.

The earliest recorded attempt to organize gin associations was made in 1887. Later there was a widespread growth of farmers' gin companies, which reached the height of their popularity between 1905 and 1915. Their faulty legal structure made their existence as semicooperative institutions short lived.

The contemporary movement began in 1919. That year Oklahoma farmers organized the first cooperative gin association to be set up under cooperative statutes, which were made available first in 1917. A few scattered associations were added each year up to 1923. Then the Oklahoma Farmers Union initiated an aggressive cooperative gin program. From 1924 to 1931 the union organized about 100 such associations in Oklahoma. Since that time drought, depression, low prices, crop restriction, and regulation by the State corporation commission have combined to halt, at least temporarily, the growth of cooperative cotton ginning in Oklahoma.

The local cooperative gin movement, which began in Texas in 1920, was first built around the Cooperative Society Act. Some 80 of these societies were organized during the decade from 1920 to 1930. For several years following 1930 the cooperative gin movement

was at a standstill in Texas. However, with the coming of better times and the loan facilities of the Houston Bank for Cooperatives, the Texas cooperative gins began a rather spectacular growth in 1934 as capital-stock cooperatives under existing cooperative statutes. This growth has continued at an increasing rate until in 1939 more than 350 associations are operating in the State of Texas.

Beginnings were made in Mississippi and New Mexico between 1920 and 1930, but it was not until after 1934 that cooperative gins assumed any importance in these States. Since 1934 scattered organizations have made their appearances in California, Alabama, Louisiana, Arkansas, and Tennessee.

A transient phase in the development of cooperative cotton ginning was the "line gin" sponsored by some of the State cooperative cotton marketing associations. During the period from 1924 to 1933 these associations operated, at one time or another, 50 to 60 such branch plants. Except for one plant operated by the California Cotton Cooperative Association, this type of ownership is now nonexistent.

In the two decades 1919 to 1939 the local cooperative gin association has grown steadily in popularity. At the end of that period there were more than 500 such associations operating in the South, mostly in Texas, Oklahoma, and Mississippi. The local cooperative gin now seems to be the universal choice of farmers interested in group action in ginning cotton. Groups of cooperatives are already federating for the purpose of making additional savings in the processing of cottonseed. This type of cooperation will grow and spread to cotton marketing and related activities.