

1995 Cotton Management Economic Notes

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The World Wide Web and Cotton

A prior issue of this Newsletter discussed the Internet and cotton information available that is available automatically through Email. The World Wide Web (WWW) is more powerful than Email since formatted text, graphics, and pictures are available for viewing or printing with the simple point and click interface of a mouse. Simple text is all that can be viewed or printed with Email.

What can WWW do for a Cotton Producer?

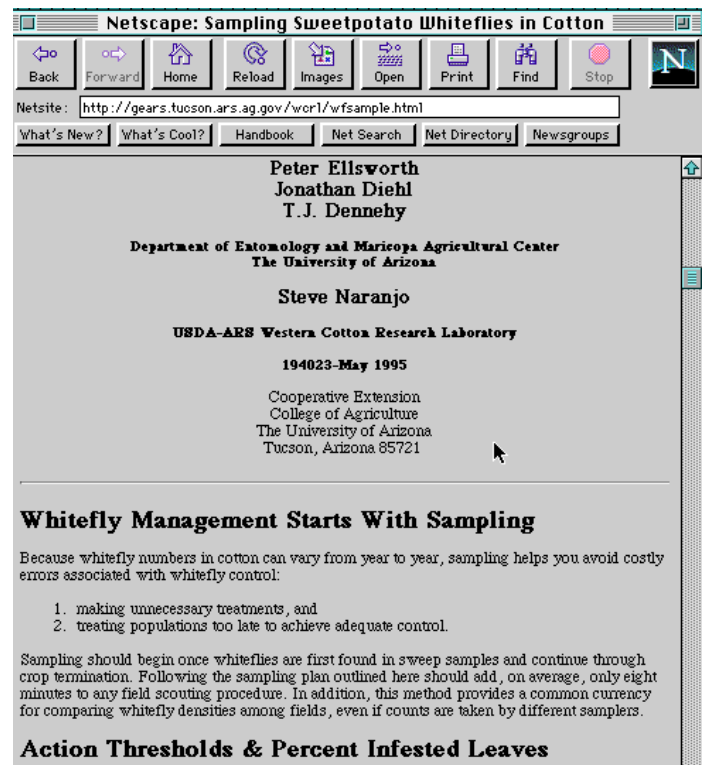
Obtaining timely information that you as a user of the WWW select is one of the biggest reasons why the web can assist you as a producer. The 10 o'clock news is generally up-to-date, but it probably won't mention how cotton prices reacted to hurricane Opal. Neither is it likely that the latest research reported in the newspaper will be on Sampling Sweetpotato Whiteflies in Cotton.

Finding all the specific tools and information sources on the web is not an easy task given that the web is global in nature and new sites are being put on the web daily. In order to find out what is available on the WWW, "net searches" can be conducted on key words. I completed a key word search on "cotton" using the net search of webcrawler and came up with 580 entries. Most of the sites are trying to sell cotton clothing rather

than distribute cotton production and marketing information. But a few of the sites have production and marketing information available. Selecting appropriate key words helps with a net search. For example, a net search on "sweetpotato whiteflies" resulted in only one article and site — the Western Cotton Research Laboratory. The figure below shows what this article looks like on the web, only in gray shades rather than color. Most information from the web can be viewed in color, providing you have a color monitor. The unique netsite address or URL (Universal Resource Locator) for this site is; <http://gears.tucson.ars.ag.gov/wcrl/wfsample.html>.



Weather information is also available on the web and satellite information is updated as frequently as every 15 minutes. The weather figure on the following page gives an infrared enhanced satellite image that is accessible from the address of; <http://rs560.cl.msu.edu:80/weather/>. This im-



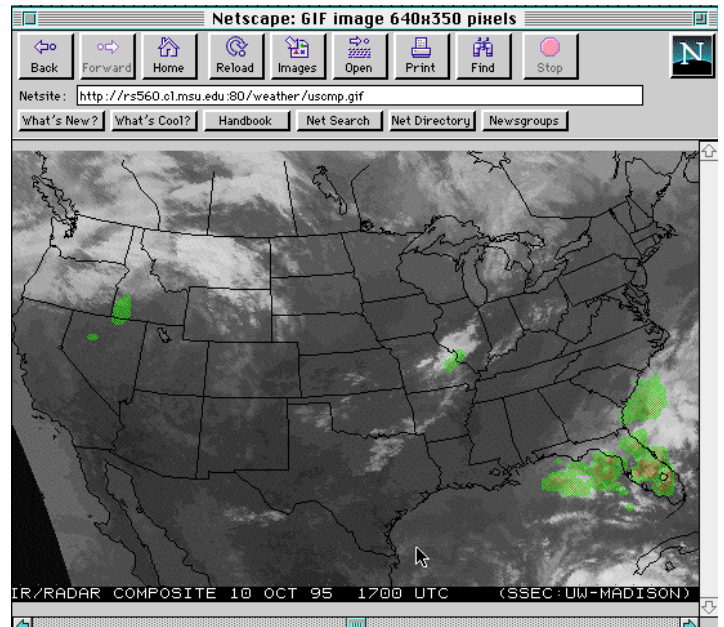
<u>Recent Prices</u>	<u>October 10, 1995</u>	
	<u>Upland</u>	<u>Pima (ELS)</u>
	(¢/lb)	(¢/lb)
Spot - uncompressed	92.18	135.00
Dec '95 Futures	86.68	
Mar '96 Futures	87.52	
Dec '96 Futures	76.28	
Adj. World Price	79.08	

Note: Upland Spot for Desert SW grade 31-3, staple 35, add 300 points for compressed bales, Pima Spot for DSW grade 03, staple 46, 9/28/95. Adjusted World Price for 10/12/95.

age is updated hourly at 5 past the hour. Local temperature, wind speed, barometric pressure, dew point, and other measures are also accessible at this address. Local forecasts are available, but they are not updated as frequently as most of the satellite imagery.

Production estimates, world agricultural supply and demand estimates, cotton ginning reports, and market summaries by USDA, Economic Research Service, National Agricultural Statistics Service, and Agricultural Marketing Service are available on the web. The netsite address of; gopher://usda.mannlib.cornell.edu:70/11/reports/, takes you to a menu that allows you to view all the recent reports put out by ERS, NASS, and the World Agricultural Outlook Board. This Cotton Management Economic Notes Newsletter and market summaries produced by the Memphis, Cotton Division of Ag Marketing Service can be accessed at the netsite of; <http://ag.arizona.edu/AREC/>. This site also has field crop budget information for growing Upland and Pima by county. A sample budget page for Upland is shown below.

One of the most desirable features about the WWW is that all of the information sources previously described are **free**. The only cost for all of this timely information is what it costs you to get connected to the WWW.



Connecting to the WWW

The first step for connecting to the WWW is to subscribe to a commercial service provider offering SLIP (Serial Line IP) or PPP (Point to Point Protocol) service to the Internet using your phone line. A high speed modem is essential for connecting your computer to a commercial service provider. Even a 14.4 or 28.8 modem will seem slow, although operable, when trying to navigate through web sites that contain lots of graphics.

After obtaining a commercial connection to the Internet, a computer and high speed modem, you are ready to select a web browser. A web browser is the software installed on your computer that allows you to navigate on the WWW. How bumpy and scenic your trip on the WWW will be is largely determined by the web browsing software you select. Netscape is currently the most popular web browser (70% of browsers) and costs about \$40.

One of the main reasons why the WWW is so popular is the fundamental philosophy underlying it. This philosophy is that everyone should be able to talk to everyone else. This is also the main reason why the WWW is going to continue to grow as a popular information tool, even for cotton producers.

Table 7B. Allocation of Ownership Costs; Upland Cotton, 1994 Page 27

Item	— CASH COST BASIS (\$/ACRE) —		- TOTAL COST BASIS (\$/ACRE) -	
	Income & Costs	Net Returns	Income & Costs	Net Returns
TOTAL INCOME at \$ 0.6100/Lb + 2nd Crop + Subsidies	\$995.78		\$995.78	
TOTAL OPERATING EXPENSES	647.00		647.00	
RETURN OVER CASH OPERATING EXPENSES		\$348.77		\$348.77
CASH OVERHEAD EXPENSES				
Taxes, Housing & Insur., Farm Machinery	9.43		9.43	
Gen. & Off. Overhead (5% of Tot. Oper. Exp.)	32.35		32.35	
General Farm Maint. (3% of Tot. Oper. Exp.)	19.41		19.41	
Total Cash Overhead Expenses	61.19		61.19	
Total Cash Oper. & Over. Cost	708.19		708.19	
RETURNS OVER CASH OPER. & OVER. EXPENSES.		287.58		287.58
CAPITAL ALLOCATIONS (100% Equity)				
Capital Replacement, Machinery & Vehicles			66.25	
Interest on Equity, Machinery & Vehicles			23.69	
Total Capital Allocations			89.93	
RETURNS TO LAND, CAPITAL, MANAGEMENT & RISK		287.58		197.64
RETURNS TO LAND, MANAGEMENT & RISK				
LAND COSTS / OWNERSHIP (100% Equity)				
Property Taxes (\$702 X 16% X .12457)13.99			13.99	
Opport. Inter. on Land (100% X 6.0% X \$702)			42.12	
Water Assessment **	20.28		20.28	
Total Land Costs	34.27		76.39	
RETURNS TO MANAGEMENT, CAPITAL & RISK		253.30		121.25
RETURNS TO MANAGEMENT & RISK				
Management Services (8% of Tot. Oper. Exp.)			51.76	
TOTAL OWNERSHIP COST	95.46		279.27	
TOTAL COST	\$742.47		\$926.28	
RETURN TO MANAGEMENT, CAPITAL & RISK		\$253.30		\$69.49
RETURN TO RISK (PROFITS)				
BREAK-EVEN PRICE TO COVER OPERATING COST (PER Lb)		\$0.4393		\$0.4393
BREAK-EVEN PRICE TO COVER OWNERSHIP COST		\$0.0795		\$0.2327
BREAK-EVEN PRICE TO COVER TOTAL COST		\$0.5189		\$0.6720

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