Value of Cottonseed and Cotton Lint

Cottonseed is an often overlooked component of cotton production. Cottonseed constitutes about two thirds the weight of a harvested cotton crop\(^1\). While cotton fiber is the main source of profit, producers also profit from the sale of cottonseed. Each year in the United States, about 6.5 billion tons of cotton seed is produced and sold as cottonseed meal for livestock feed, or crushed to produce oil for products such as margarine or salad dressings\(^2\).

Increase Demand for Cottonseed

As demand for cottonseed increases so has the price (Figure 1). According to the 2010 United States Department of Agriculture Prices Report, the October price received for cottonseed in September 2011 was $245 per ton\(^3\). The reported price received for cottonseed in November 2011 was $158 per ton\(^3\). Reduced cotton and soybean production for 2011 has increased the demand for supplemental feed. Cottonseed prices have been reported as high as $340 per ton in the Texas South Plains due to feed shortages from drought conditions\(^4\).

When crop planning for 2012, it is important for producers to calculate their potential profit by estimating the price of cotton lint and cottonseed. Table 1 provides assumed values for an average cotton crop including profit potential for cotton lint and cottonseed. For a field that produces 2,631 lbs of seed cotton/acre with 38\% turnout, the field will produce approximately 1,000 lbs lint/acre. Assuming the seed cotton also has about 300 lbs of trash per acre about 1,331 lbs of fuzzy cottonseed is produced per acre. Cottonseed sold at $350/ton ($0.175/lb) will net $232.93/acre in this scenario. Calculating in approximately $60 for ginning costs will leave the producer with a value of $172.93/acre for the sale of the cottonseed, which the producer will typically see as a gin rebate. The total value of the lint and the fuzzy seed from a 1,000 lbs/acre cotton crop is estimated at $1,123/acre including the lint and the fuzzy seed value in this example.

\(^3\)United States Department of Agriculture National Agricultural Statistics Service. ISSN:1937-4216. 31 October 2011.

Individual results may vary, and performance may vary from location to location and from year to year. This result may not be an indicator of results you may obtain as local growing, soil and weather conditions may vary. Growers should evaluate data from multiple locations and years whenever possible.

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