

**Southern Cotton Growers, Inc.**  
REPRESENTING COTTON PRODUCERS THROUGHOUT ALABAMA, FLORIDA, GEORGIA, NORTH CAROLINA, SOUTH CAROLINA AND VIRGINIA

# COTTON MARKETING NEWS



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This newsletter is also available on the UGA Cotton web page at:  
<http://www.ugacotton.com>

### The Ride Has Begun



It looks like 2013's wild ride has begun. Dec13 futures continue to trend up and dare to reach 85 cents. Dec13 closed at just under 83 cents on Friday. Prices gained about a cent and a half for the week. Somewhat surprisingly, however, the market is flat to down slightly this morning despite Saturday's low acreage estimate by the National Cotton Council.

Most estimates have placed 2013 US acreage in the 9.7 to 10.3 range. The NCC survey estimate is 9.015 million acres. If realized, this would be 27% less than last year and fewer acres than in 2009 when acreage dipped to 9.15 million due to higher prospective net returns from corn and soybeans.



The NCC survey was conducted from December 18 to January 23. Some observers point out that responses were before the most recent price increases. That's not entirely true but the survey was, in fact, done before Dec13

broke above 80 cents. I think 80 to 85 cents is the magic number many growers are looking for. Also, while cotton has trended up since mid-December, corn has moved lower and soybeans have been up and down but, on average, unchanged. So, there's a reasonable chance the NCC estimate is on the low side but really, it all depends on weather and what prices do over the next 2-3 months—not by what has happened and where we are now.

I do think the GA number is too low. If our cotton acreage were to drop to 1.09 million acres (the NCC estimate), then given what we know is going to be a sharp reduction in peanut acreage, that would mean a shift to corn and soybeans of much more than anyone already thinks possible or even feasible.

Perhaps offsetting the NCC lower-than-expected acreage number, Friday's monthly USDA supply/demand numbers were a mixed bag. US exports for the 2012 crop were raised 300K bales. China imports were raised 150K bales. But World Ending Stocks were raised slightly and China stocks raised by 2 a whopping million bales. Now even more than before, prices will depend on China's stock policy and import decisions.

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Prospective 2013 U.S. Cotton Area			
	2012 Actual (Thou.) 1/	2013 Intended (Thou.) 2/	Percent Change
<b>SOUTHEAST</b>	<b>2,748</b>	<b>2,241</b>	<b>-18.5%</b>
Alabama	380	320	-15.7%
Florida	108	103	-4.5%
Georgia	1,290	1,093	-15.3%
N. Carolina	585	398	-32.0%
S. Carolina	299	265	-11.4%
Virginia	86	62	-28.3%
<b>MID-SOUTH</b>	<b>2,030</b>	<b>1,003</b>	<b>-50.6%</b>
Arkansas	595	221	-62.9%
Louisiana	230	144	-37.3%
Mississippi	475	199	-58.1%
Missouri	350	239	-31.6%
Tennessee	380	199	-47.6%
<b>SOUTHWEST</b>	<b>6,911</b>	<b>5,228</b>	<b>-24.4%</b>
Kansas	56	50	-10.4%
Oklahoma	305	267	-12.3%
Texas	6,550	4,910	-25.0%
<b>WEST</b>	<b>388</b>	<b>341</b>	<b>-12.2%</b>
Arizona	200	193	-3.6%
California	142	112	-21.4%
New Mexico	46	36	-21.0%
<b>TOTAL UPLAND</b>	<b>12,077</b>	<b>8,812</b>	<b>-27.0%</b>
<b>TOTAL ELS</b>	<b>238</b>	<b>203</b>	<b>-15.0%</b>
Arizona	3	3	-16.0%
California	225	190	-15.6%
New Mexico	2	2	-26.0%
Texas	8	8	3.9%
<b>ALL COTTON</b>	<b>12,315</b>	<b>9,015</b>	<b>-26.8%</b>

1/ USDA-NASS  
 2/ National Cotton Council