

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

COTTON MARKETING NEWS



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US Cotton at 10.25 Million Acres

USDA released today it's much anticipated *Acreage* report. This is the first farmer-based survey estimate of actual acreage planted. Up to this point, the only numbers available and widely accepted have been USDA's *Prospective Plantings* estimates released back in March.

Today's estimate for cotton is 10.251 million acres—16.8% below last season and 225,000 acres more than what farmers said they intended to plant back in March.

Most pre-report opinions were that today's number would be 9.5 to 10.5 million acres, so the 10.25 number falls within the range of most expectations. Today's estimate has been highly anticipated and uncertain due to the continuing drought in Texas, rainfall in the Mid-South that delayed normal planting progress, cool soil temps in GA that delayed corn planting, and important in some states, uncertainty in peanut contracts and competitiveness. Also, cotton prices have strengthened and held during the planting period while corn and soybean prices have trended down.

Every state is down compared to last year except for Florida and a slight increase in GA. The fact that US acreage is down is no surprise—it was just a matter of how much. Of

17 states, 7 planted less than the March intentions and 10 planted equal to or more. I personally thought the GA number would be at least 1.4 million. I'm also surprised to see the 200K increase in Texas from the March number and had it not been for Texas, US acreage would be about the same as the March estimate.

So, we now have a revised acreage figure to work from. The figure is within reason of most pre-report estimates. But we all know, this number is not the most critical one. As we now anticipate USDA's July and August production estimates, how does this change the estimate of acres to be harvested (in Texas) and US average yield? These are they key factors that the market will react to. Dec futures (currently about 84 cents) have weakened recently but still hold above the 82 to 83 cent support level.

2013 US Cotton Acres Planted Compared to 2012 ¹				
	2012 Actual	2013 Intentions ²	2013 Actual ³	Percent Change ⁴
Alabama	380	360	330	-13.2
Florida	108	115	125	15.7
Georgia	1,290	1,300	1,300	+0.8
North Carolina	585	450	420	-28.2
South Carolina	299	290	280	-6.4
Virginia	86	65	70	-18.6
TOTAL SOUTHEAST	2,748	2,580	2,525	-8.1
Arkansas	595	270	320	-46.2
Louisiana	230	170	130	-43.5
Mississippi	475	270	320	-32.6
Missouri	350	270	270	-22.9
Tennessee	380	280	260	-31.6
TOTAL MIDSOUTH	2,030	1,260	1,300	-36.0
Kansas	56	40	30	-46.4
Oklahoma	305	160	150	-50.8
Texas	6,558	5,511	5,711	-12.9
TOTAL SOUTHWEST	6,919	5,711	5,891	-14.9
Arizona	203	161	171	-15.8
California	367	280	330	-10.1
New Mexico	48.4	34	34	-29.8
TOTAL WEST	618.4	475	535	-13.5
TOTAL US	12,315.4	10,026	10,251	-16.8

1/ All acreage is in thousand acres.
2/ *Prospective Plantings*, USDA, March 28, 2013.
3/ *Acreage*, USDA, June 28, 2013.
4/ 2013 actual compared to 2012



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