

**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:  
<http://www.ugacotton.com>

**USDA July Numbers.** We'll have to wait until next month to get USDA's first farmer survey-based estimates of acres to be harvested and yield. The July numbers released yesterday reflect the actual acreage planted number released back at the end of June but acres to be harvested and yield, and thus the expected size of the crop, are based on a 3-year average (2010-2012) adjusted for current crop conditions.

Still, yesterday's expected 2013 production (13.5 million bales) surprisingly was the same as in the June report when running off the March planting intentions numbers. Actual planted acreage is about 250K acres higher than March intentions but USDA increased acreage abandonment by roughly ½ million acres and raised expected yield from 800 lbs/ac to 831—resulting in no change in the expected size of the 2013 crop.

**World Situation.** USDA's July numbers were bearish when looking at the overall World supply/demand. Compared to June projections, an expected larger crop in India led to an increase in expected World production. World usage (demand) was lowered slightly. Adjustments from the 2012 crop year raised 2013 crop year carry-in stocks.

US Cotton, 2012 Actual and 2013 Estimates			
	2012	2013	
		June	July
Acres Planted	12.31	10.03	10.25
Acres Harvested	9.37	8.10	7.80
Yield Per Acre	887	800	831
<b>BEGINNING STOCKS</b>	<b>3.35</b>	<b>3.60</b>	<b>3.90</b>
Production	17.32	13.50	13.50
Imports	0.01	0.01	0.01
<b>TOTAL SUPPLY</b>	<b>20.67</b>	<b>17.11</b>	<b>17.41</b>
Domestic Use	3.45	3.50	3.50
Exports	13.30	11.00	11.00
<b>TOTAL DEMAND</b>	<b>16.75</b>	<b>14.50</b>	<b>14.50</b>
<b>ENDING STOCKS</b>	<b>3.90</b>	<b>2.60</b>	<b>2.90</b>

So, all these things combined increased projected 2013-14 crop year ending stocks by almost 2 million bales. China's number were unchanged from the June report. The increase in carry-out (ending) stocks was due largely to the larger India crop and somewhat to higher expected US ending stocks.

**Price Situation and Outlook.** Cotton prices (Dec13 futures) are currently around 84 cents. The move to 84 cents actually broke a nice little recovery back to almost 87 cents since the lows back in late June. Prices peaked at almost 87 cents on Wednesday this week.

Prices are likely to range in the 83 to 87-cent area for the near term. The August USDA numbers will begin to provide a more definitive picture of the actual US crop as we move forward from there. The US crop situation and outlook will be one factor to shape the price outlook into Fall.

I was asked yesterday how much of the GA crop I thought had already been priced. I think some growers got started when they could lock in 80 cents and stepped up from there. There have been 2 opportunities at Dec13 close to 90 cents. I'm thinking some growers are 50% or quite a bit more priced.



**Cotton With Wet Feet.** We've had a LOT of rain on Georgia cotton in June and July. There is an excellent article about this and the implications on the UGA Cotton web page at <http://www.ugacotton.com>

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