

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

COTTON MARKETING NEWS



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Prices Remain Steady. Cotton prices (Dec13 futures) continue to perform quite well under the circumstances and appear to be well-supported at this time. Dec13 is currently around the 85-cent level and still in a decent uptrend since the most recent drop to around 83 cents. There appears to be solid chart support at that 82 to 83-cent area with what should be another level of support at 80 to 81.

All that to say this—I believe the goal starting out this year was to sell as much cotton as possible first at 80 cents or better then at 85 or better. If you’ve followed that philosophy, you should be sitting pretty good right now with a fairly modest portion of the crop already priced. The main worry right now is making the crop to assure delivery against the contracts.

As we move into harvest season, there can be a tendency for prices to decline. This can happen if the US and World crop comes in bigger than expected and/or if buying (exports) dry up. This market (Dec13) has tried to break below the 82 to 83-cent level several times since April. Thus far it hasn’t been able to do so due to (1) new buying at that level and (2) bullish technical/speculative interest (buying) at that level.

Weather and Crop Conditions. The map to the right shows rainfall over the past 2 weeks. Mostly, the entire Cotton Belt has had rain. In Georgia, where we have had a LOT of rain in June and July, we continue to get rain but to a lesser degree. This has allowed more timely field operations to resume in some areas.

Drought-stricken Texas, including the Plains area has had rainfall over the last couple of weeks. Some areas report 2 to 5 inches of rain. Typically, the market might decline on this news but it hasn’t. Reports from the area suggest that the rain is too late to save the non-irrigated crop in some cases. The rain may help the irrigated crop to achieve an even higher yield potential.

Overall crop conditions improved slightly last week but 24% was in poor to very poor condition. Conditions, as expected, are running behind last year. USDA’s August numbers will be the first of the season based on actual farmer survey estimates of harvest acres and yield.

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