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**Southeastern States
 USDA Prospective Plantings 2007 and Change From 2006 ¹**

	2007 Prospective Plantings				Change From 2006			
	Cotton	Corn	Peanuts	Soybeans	Cotton	Corn	Peanuts	Soybeans
Alabama	450	300	160	190	-125	+100	-5	+30
Florida	90	75	120	16	-13	+15	-10	+9
Georgia	1,150	500	500	250	-250	+220	-80	+95
North Carolina	570	1,050	94	1,400	-300	+260	+9	+30
South Carolina	200	390	60	430	-100	+80	+1	+30
Virginia	85	520	24	500	-20	+40	+7	-20
Totals	2,545	2,835	958	2,786	-808	+715	-78	+174

1/ All numbers shown are Thousand Acres.


According to USDA's *Prospective Plantings* report released today, US farmers intend to plant 12.147 million acres of cotton in 2007—down 3.127 million acres or 20%. This report surveyed what farmers say they *intend to plant*. If realized, this would be the smallest US cotton acreage planted since 1984. This decline in acreage is 1.04 million acres more than the National Cotton Council's survey estimate released in February and more than most industry analysts had expected. The first estimate of actual planting will be released the end of June.

The largest percentage acreage reductions are expected in the MidSouth (specifically LA and MS) where acreage in these 2 states is expected to be down 40%. Acreage in the 6 Southeast states is expected to be down 808,000 acres or 24%. The largest percentage declines are expected in North Carolina (down 300,000 acres- 34%) and South Carolina (down 100,000 acres- 33%).

Peanut acreage is also expected to be down based on farmers intentions. Peanut acreage in the Southeast is expected to be down 78,000 acres or 7.5%. Cotton and peanut acres will be replaced by corn and soybeans. Georgia's corn acreage may be up 79% and Alabama's acreage up 50%. Soybean acreage in Georgia may be up 61%. Across the Southeast, cotton and peanut acreage is expected to be down 886,000 and corn and soybean acreage up by almost exactly the same amount- 889,000 acres.

Georgia's major crop production areas are very dry. The next couple of weeks will be critical for corn plantings. Although most of the expansion in corn acres may be on irrigated land, dryland planting is on hold until moisture improves. Unless moisture improves, some corn acres could go back to cotton.

2007 cotton prices (December futures) have strengthened in recent weeks—gaining 88 points this week and about 2 cents over the past couple of weeks. Lower than expected plantings could set the stage for eventually higher prices—BUT, exports will have to rebound in '07-'08 and the market will also have to first negotiate large carry-in stocks from the '06 crop.



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