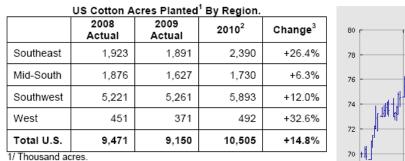


This newsletter is also available in PDF format on the UGA Cotton web page at: <u>http://www.ugacotton.com</u>

## In Between Reports

USDA's <u>Prospective Planting</u> report was released on Wednesday. The next set of supply/demand numbers will be released on Friday, April 9<sup>th</sup>. The Prospective Plantings numbers this week were pretty much what most observers expected to see. In general, the report is expected to be a non-factor to the market.



2/ Prospective Plantings, USDA, March 31, 2010. First estimate of 2010



This week acreage numbers report what US farmers say they "intend" to plant. What will actually be planted is still up for grabs and depends on weather, markets, and other factors. If realized, the numbers show acreage will be up about 15%. As expected, the increase is much less in the Mid-South were it looks like farmers may keep acreage in soybeans and corn.

Depending on abandonment and weather, this planting could result in a crop in the neighborhood of 16 million bales. A crop this size or smaller would result in continued tightening of US stocks if demand (export sales) remains good into 2011.

It looks like cotton prices (December futures) have pretty much gone into a sideways pattern. Not much has happened over the past month. This weeks acreage number was in line with expectations so attention continues to focus on the demand side, anything that might impact actual planting decisions like weather and prices, and the condition of the crop as we get into summer. The first estimate of acreage actually planted will not be out until the end of June.

Export sales have been good. Despite the increase in acreage and production for 2010, many observers continue to point to demand and say that supplies will still be tight and, therefore, the likelihood that prices could still move higher. The sideways 74 to 76 cents pattern over the past month indicates the market seems happy where it is right now. If demand remains good, prices could move higher especially if the crop does not get off to a good start. Conditions this spring and summer will impact prices as well as demand. Producers should already be protected on a portion of the 2010 crop.

Juntar,

Actual will be on June 30, 2010.

3/ 2010 percent change from 2009.

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