

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

COTTON MARKETING NEWS



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<http://commodities.caes.uga.edu/fieldcrops/cotton>

Launch Sequence Activated

Two items worthy of mention this week—the farm bill debate has begun in earnest and the market continues to improve.

Prices (December futures) have continued their march higher and have improved about 5 cents per lb over the past few weeks. The rally seems to have stalled at the 57-cent area. The market has not been at this level since February and this may be an opportunity to contract or use Puts to take some protection-- particularly if no action was taken back in the winter at this level or better. Otherwise, if you feel adequately protected as this point, you might as well see if the market will take us a bit higher. But, it looks like this rally wants to stall out so next week will tell the tale.



I want to call your attention to 2 very good pieces that have been written and released recently—“*Farm Bill Update*” written by David Ruppenicker, Executive Vice President of Southern Cotton Growers, Inc on June 5th and “*Farm Bill Debate Begins*” written by Richey Seaton, Executive Director of the Georgia Cotton Commission which appears in *100% Cotton News* inside the June 6th edition of *Southeast Farm Press*. Contact David or Richey for a copy if you have not read these or contact me and I'll send to you.

I also want to call your attention to the House Committee on Agriculture recommendations on the next peanut title. This may be found at the following web address: <http://agriculture.house.gov/inside/2007FarmBill.html>

The Bush Administration and USDA released its farm bill proposal back on January 31st. The House ag committee is expected to soon release it's Title I (commodity) farm bill proposal. The Senate will follow with its recommendations. Debate will take place in the full House and Senate then the 2 versions will go to Conference Committee. The goal is to have a new farm bill in September.

House Agriculture Committee Chairman Collin Peterson was in Georgia on Monday this week to participate in meetings organized by Congressman John Barrow and Congressman Jim Marshall of Georgia. This was followed on Tuesday, June 5th by release of the peanut recommendations. From the Georgia meeting, it is clear that House ag committee recommendations will likely be in sharp contrast to the Administrations earlier proposal. In the end, budget will drive the next farm bill but even there, there are differences of opinion.

Why do I ask you to look at the peanut proposal? Well, for one thing it may give insights into what might be forthcoming down the road. For example, the House ag committee recommends cutting the Payment Acres on peanuts from 85% of Base Acres to 74% of Base Acres.

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