

# **COTTON MARKET SITUATION & (VAGUE) OUTLOOK**

**S. Region Outlook Conference || Sept. 23-25, 2013**

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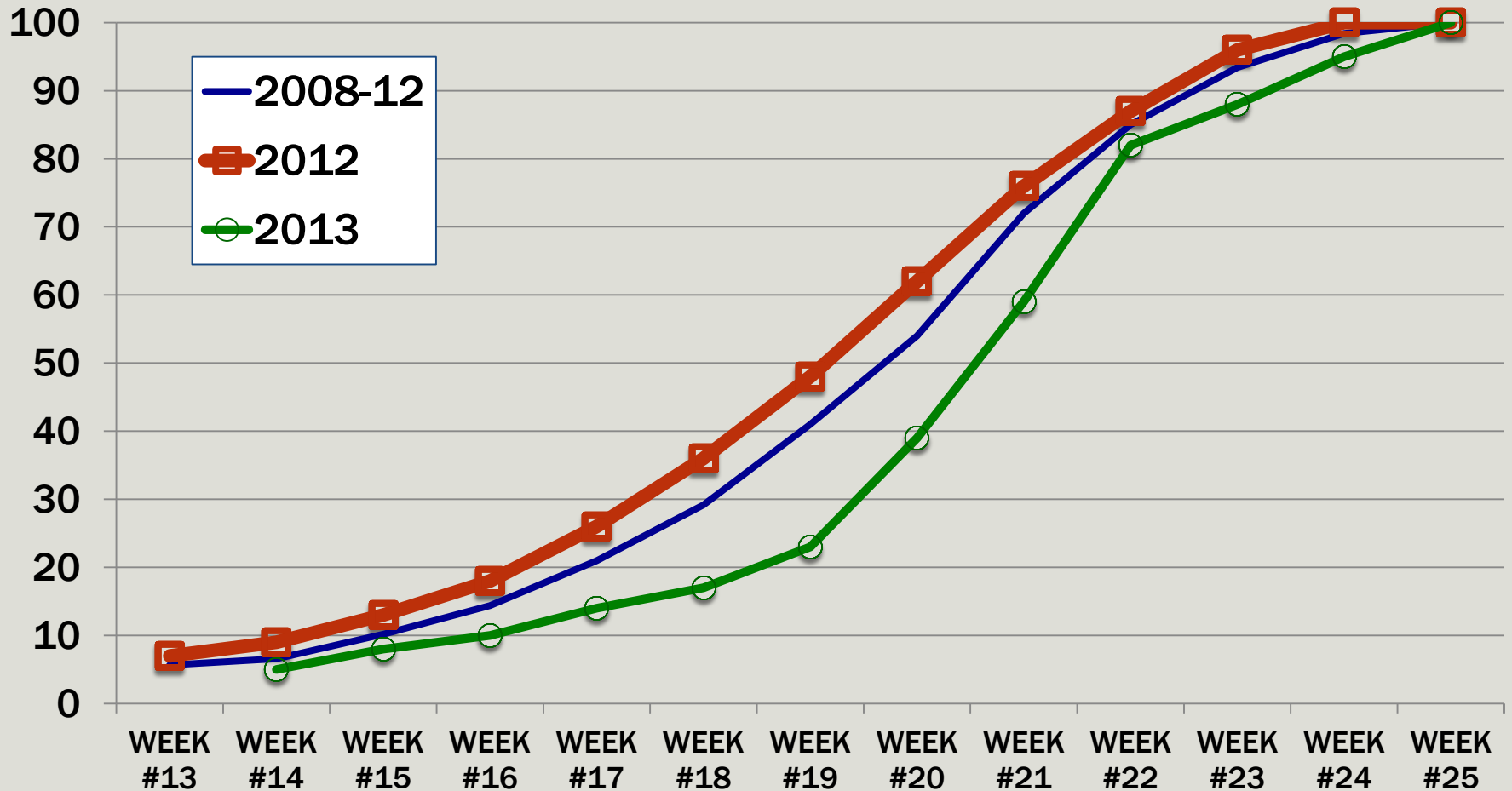
IT WAS GOOD TO BE A KING



# U.S. Cotton Supply

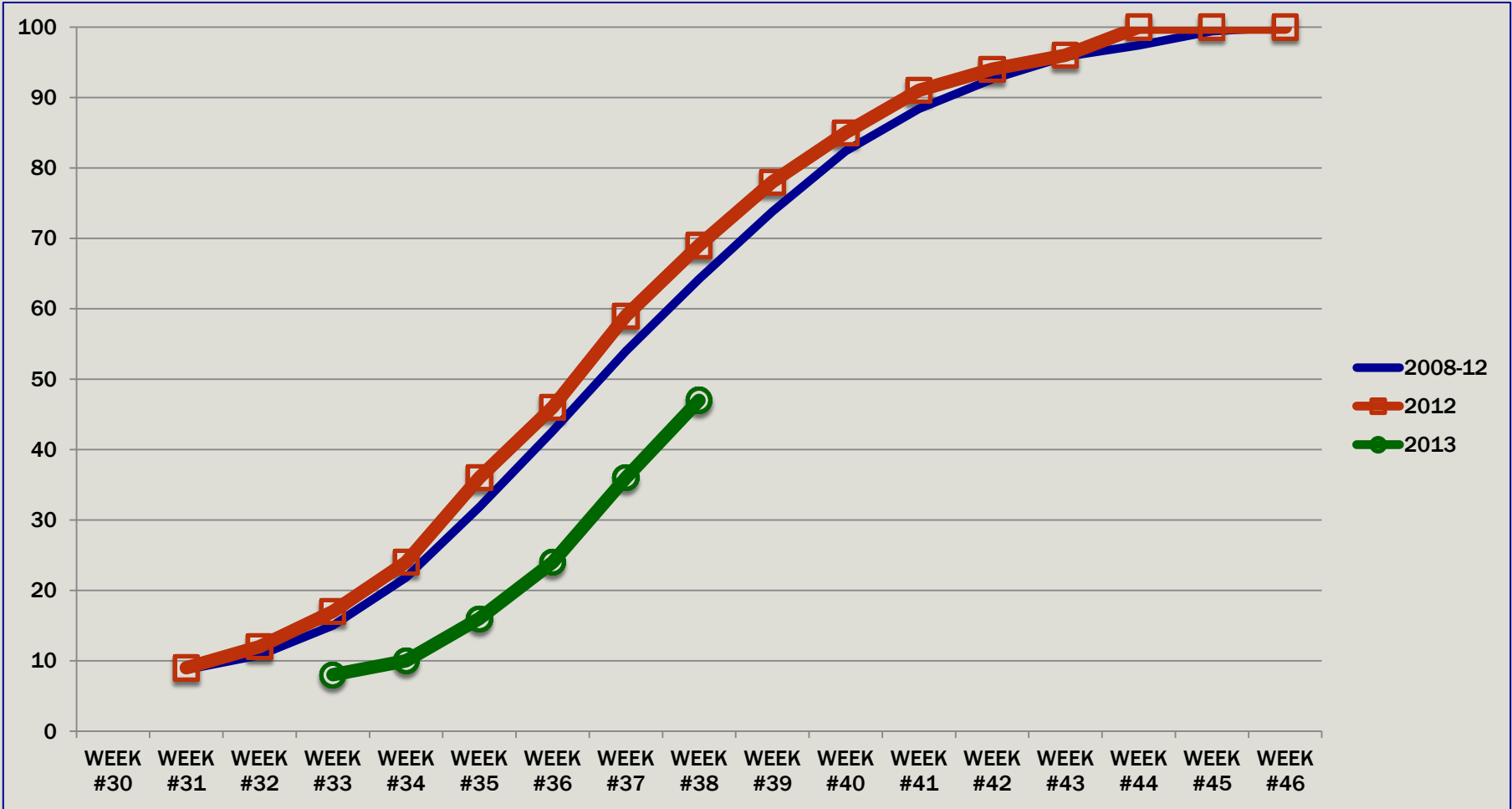


# PLANTING PROGRESS



Data Source: USDA, NASS

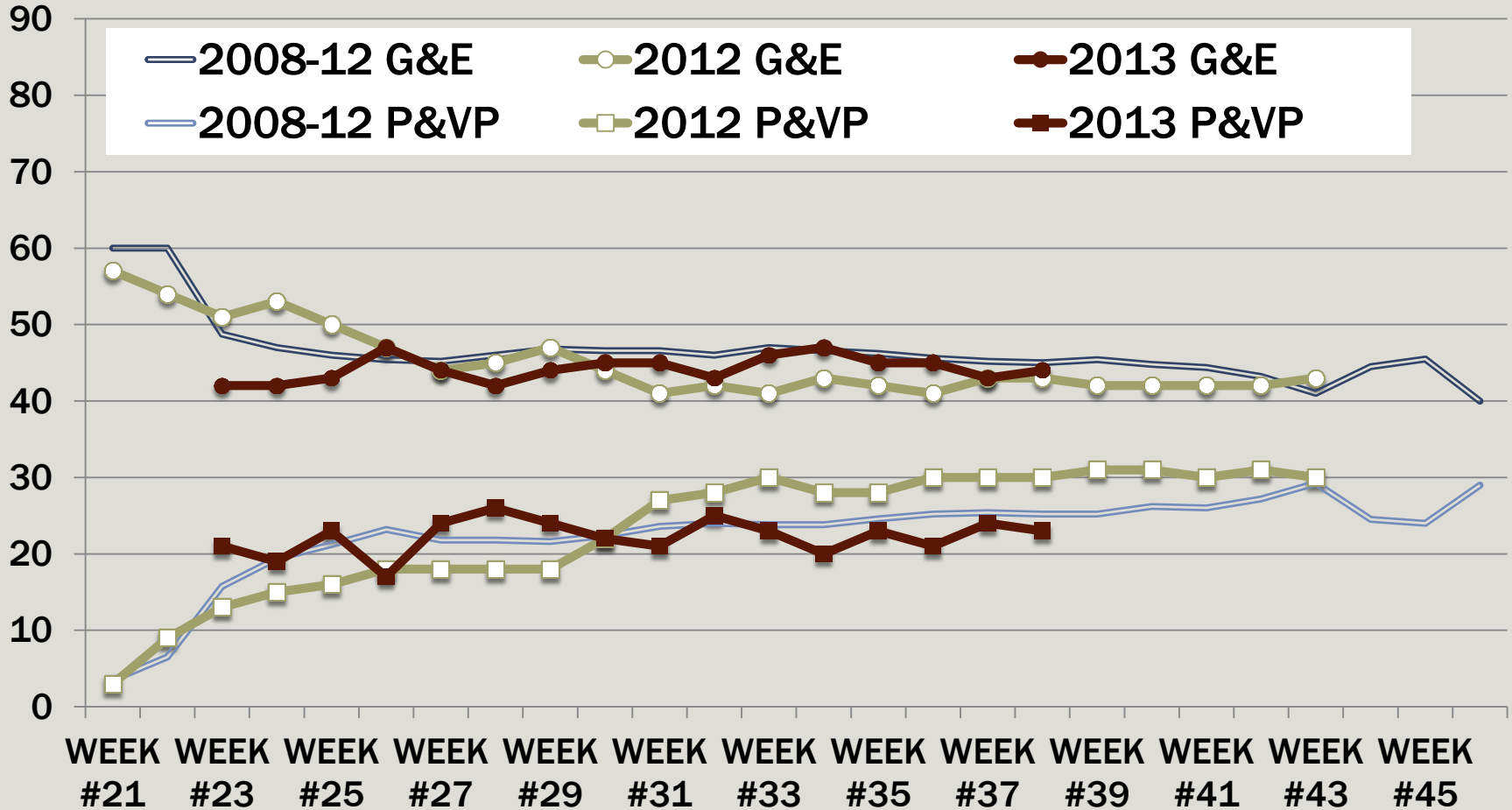
# BOLLS OPENING



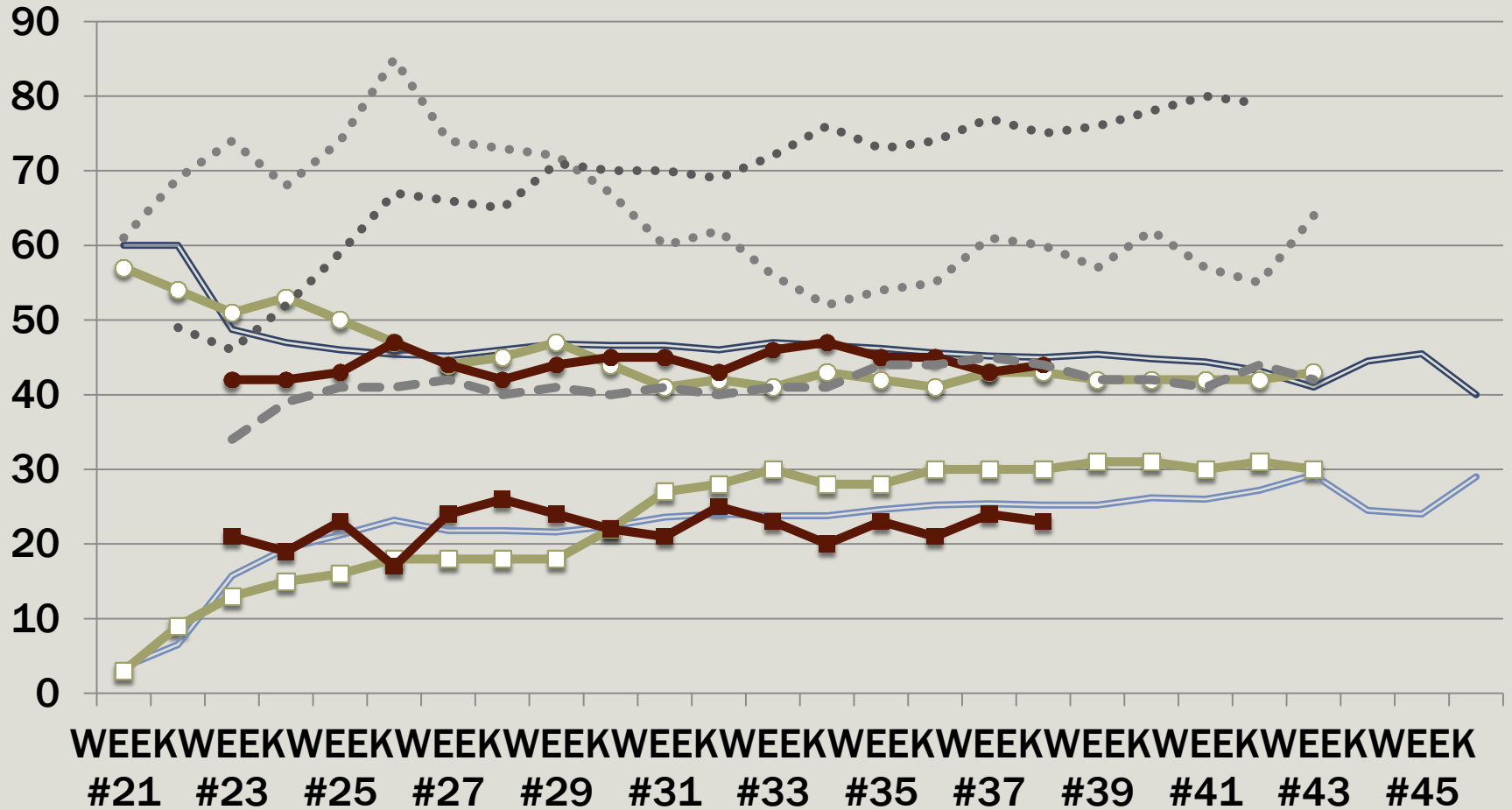
Data Source: USDA, NASS



# COTTON CONDITION



# COTTON CONDITION



Data Source: USDA, NASS

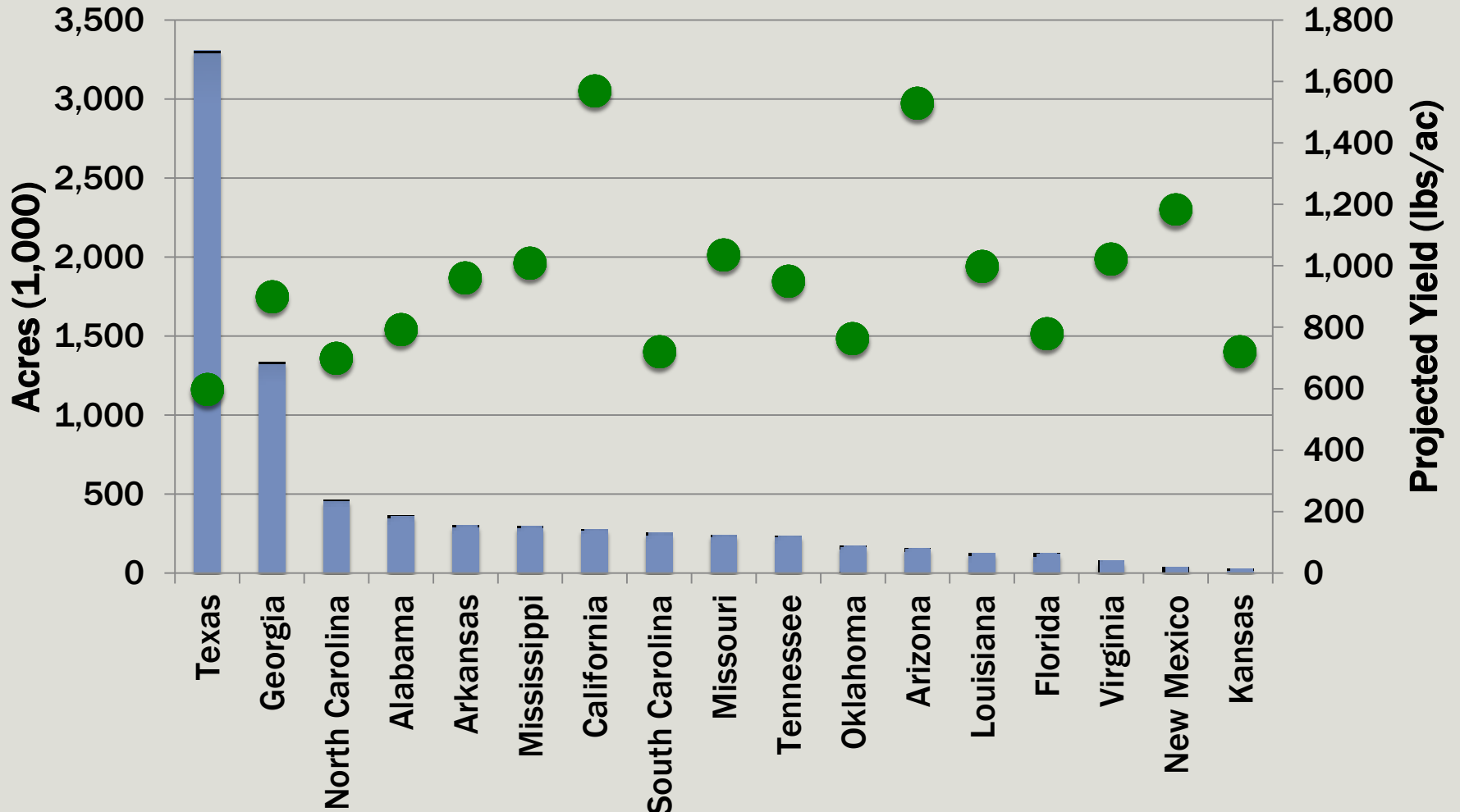
# 2013 ACRES (MILLION)

	2012 Actual*	2013 Estimated*	% Change
<b>Southeast</b>	<b>2.748</b>	<b>2.653</b>	<b>-3.5</b>
<b>Mid-South</b>	<b>2.030</b>	<b>1.235</b>	<b>-39.2</b>
<b>Southwest</b>	<b>6.911</b>	<b>5.962</b>	<b>-13.7</b>
<b>West</b>	<b>0.387</b>	<b>0.286</b>	<b>-26.1</b>
<b>ALL UPLAND</b>	<b>12.076</b>	<b>10.136</b>	<b>-16.1</b>
<b>ALL ELS</b>	<b>0.238</b>	<b>0.201</b>	<b>-15.5</b>
<b>ALL COTTON</b>	<b>12.314</b>	<b>10.337</b>	<b>-16.1</b>

Data Source: USDA, NASS

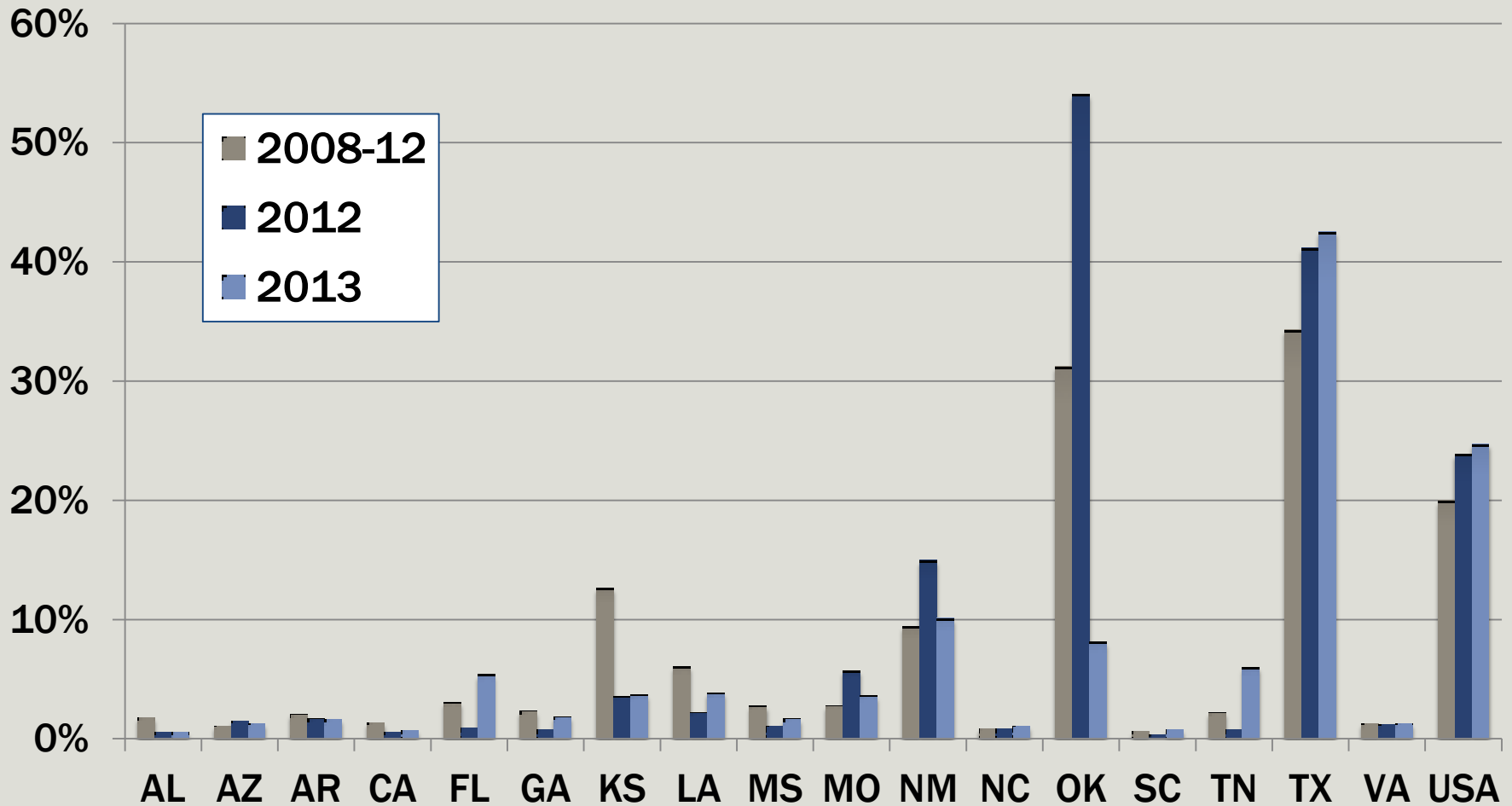


# ACRES & YIELD



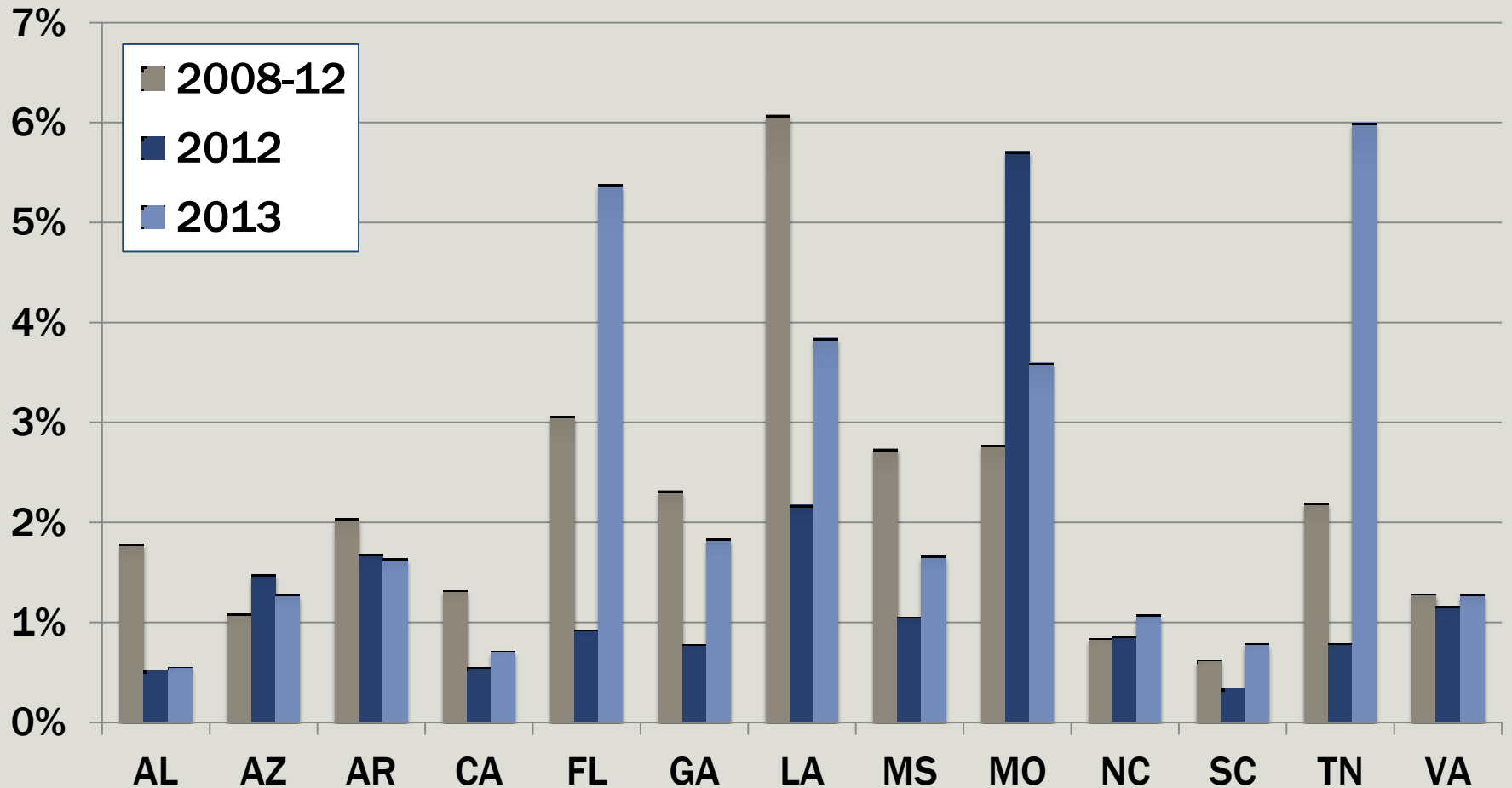
Data Source: USDA, NASS

# ABANDONMENT



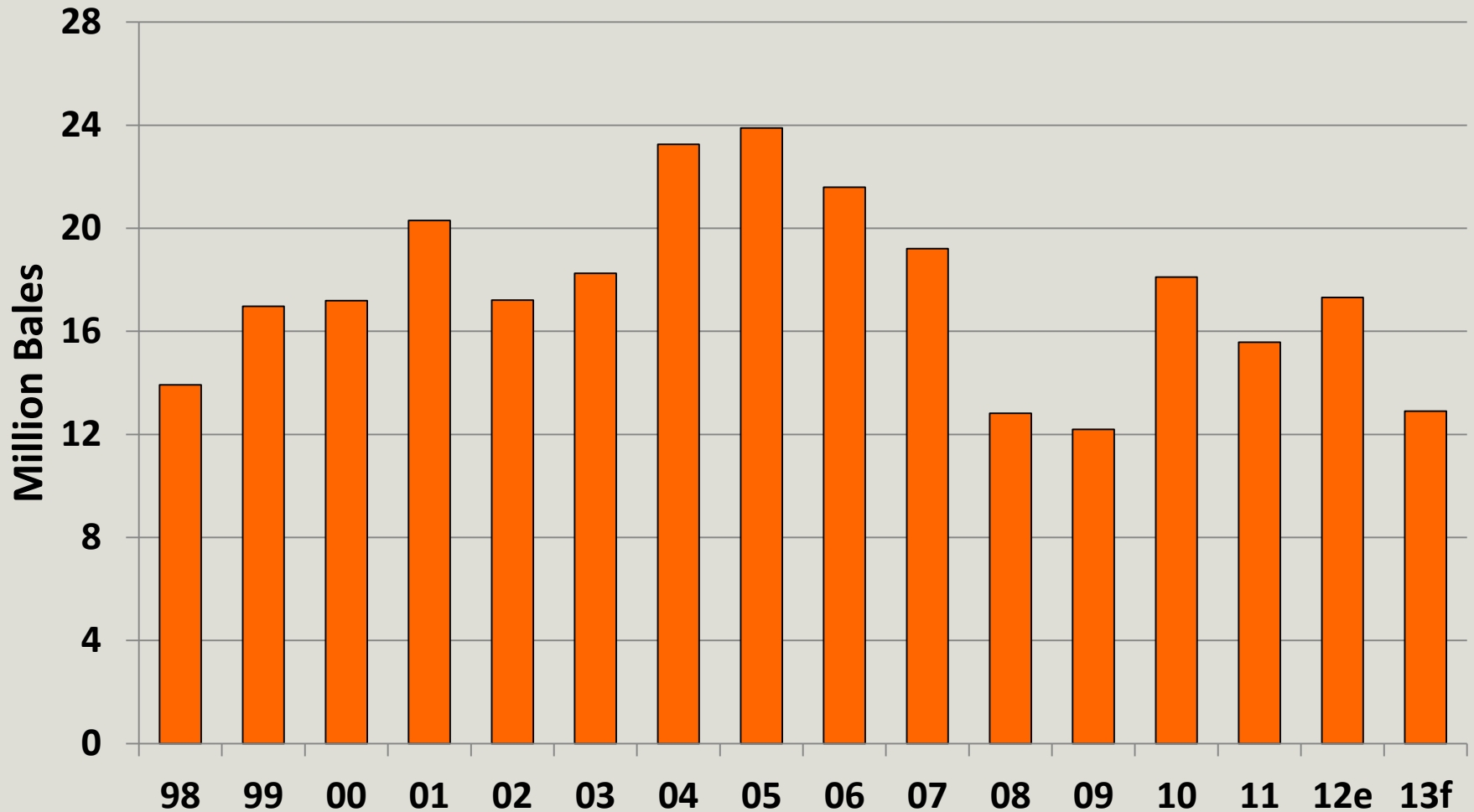
Data Source: USDA, NASS

# ABANDONMENT



Data Source: USDA, NASS

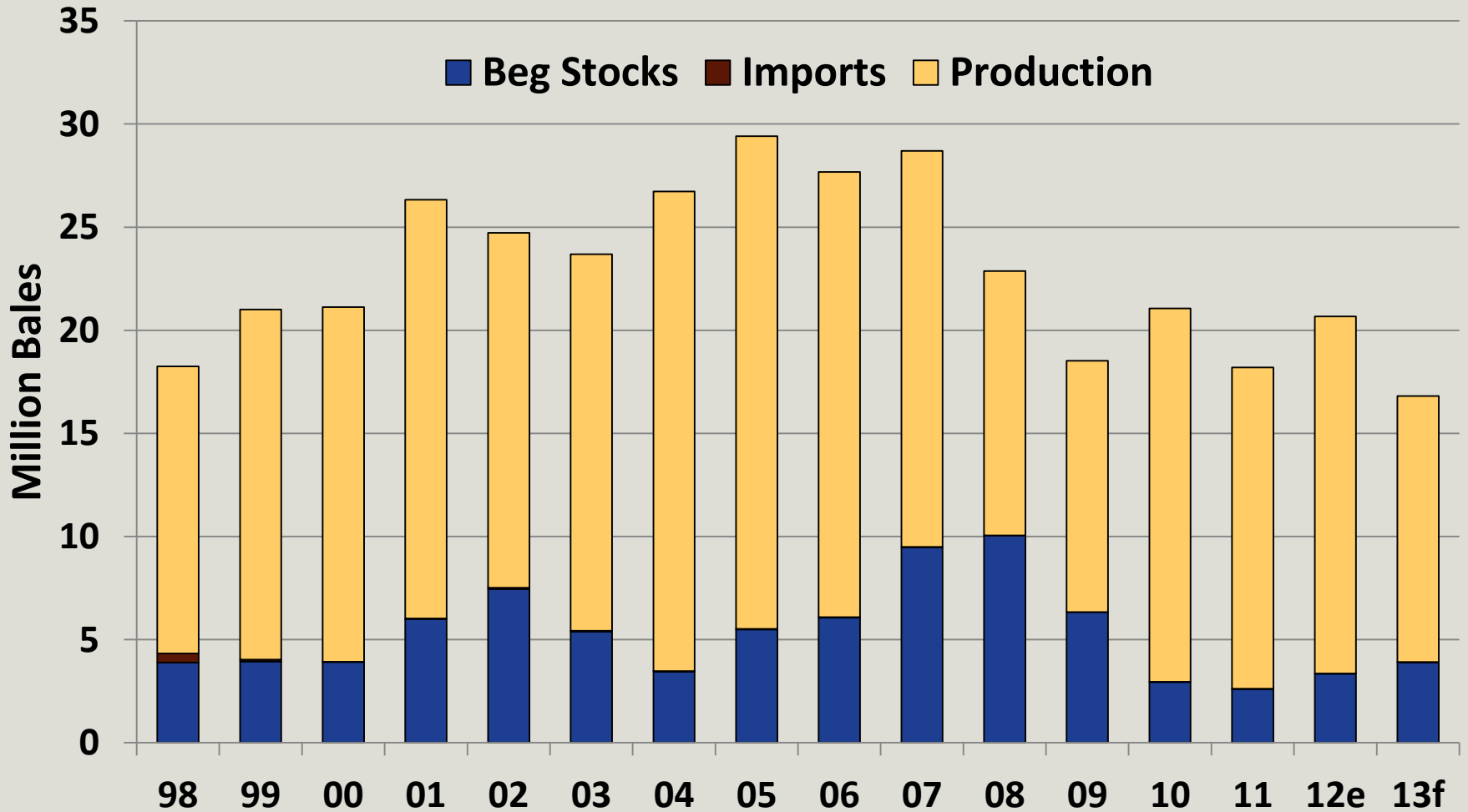
# U.S. COTTON PRODUCTION



Data Source: USDA, NASS

Chart: Nat'l Cotton Council

# U.S. COTTON SUPPLY



Data Source: USDA, WAOB

Chart: Nat'l Cotton Council

# U.S. Cotton Demand



# NET DOMESTIC FIBER CONSUMPTION

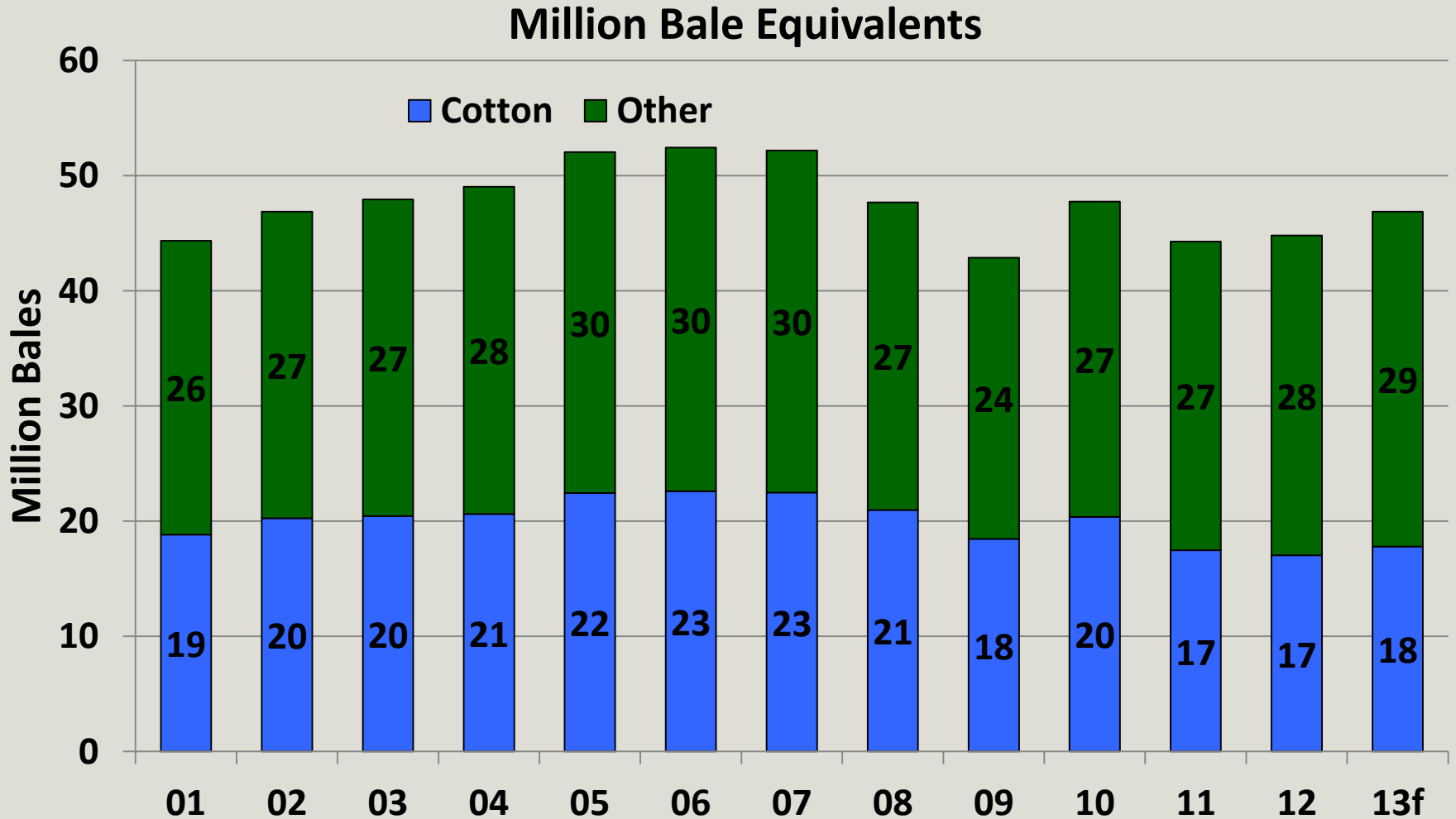
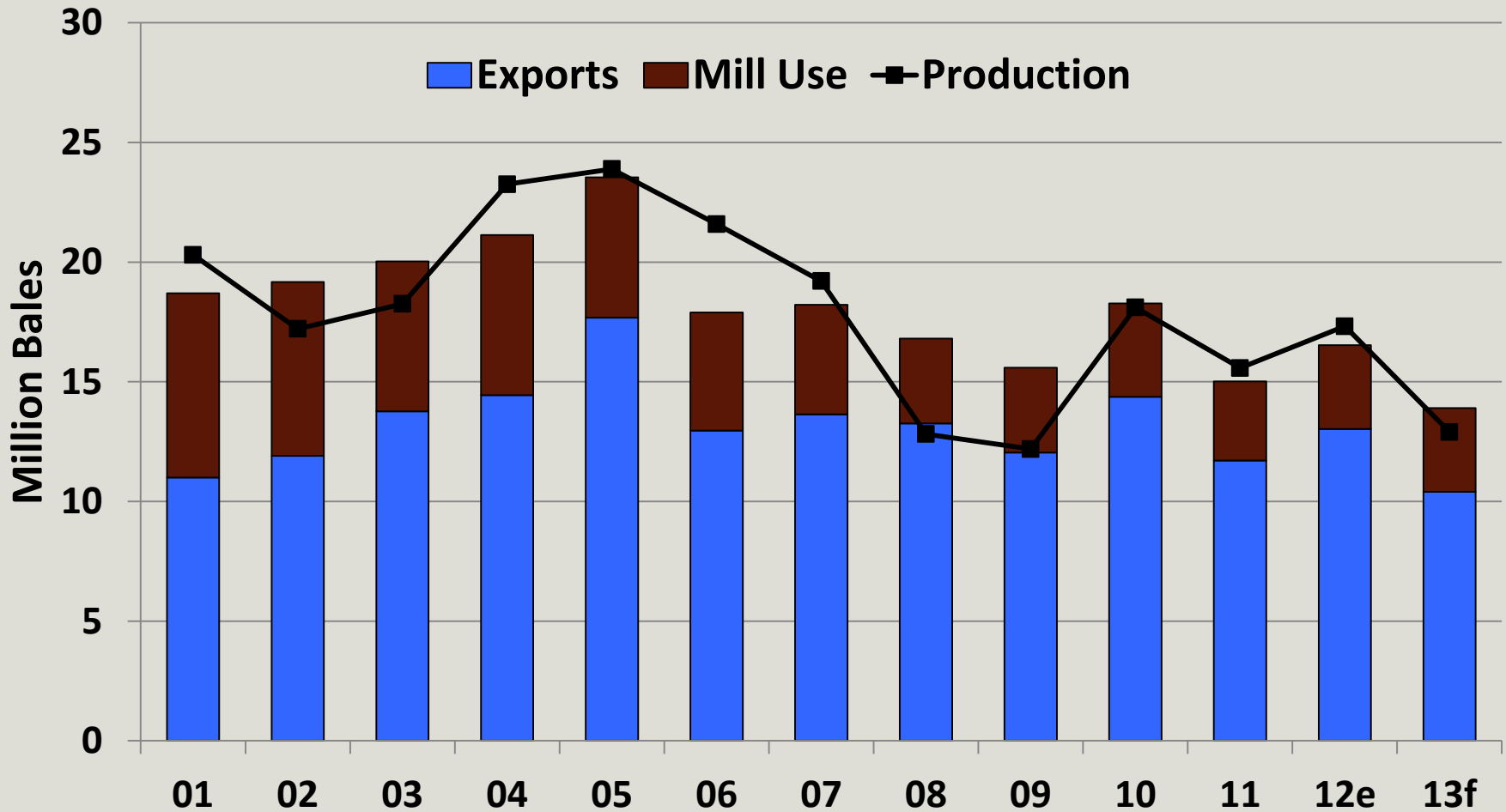


Chart: Nat'l Cotton Council



# U.S. PRODUCTION & USE



Data Source: USDA, WAOB

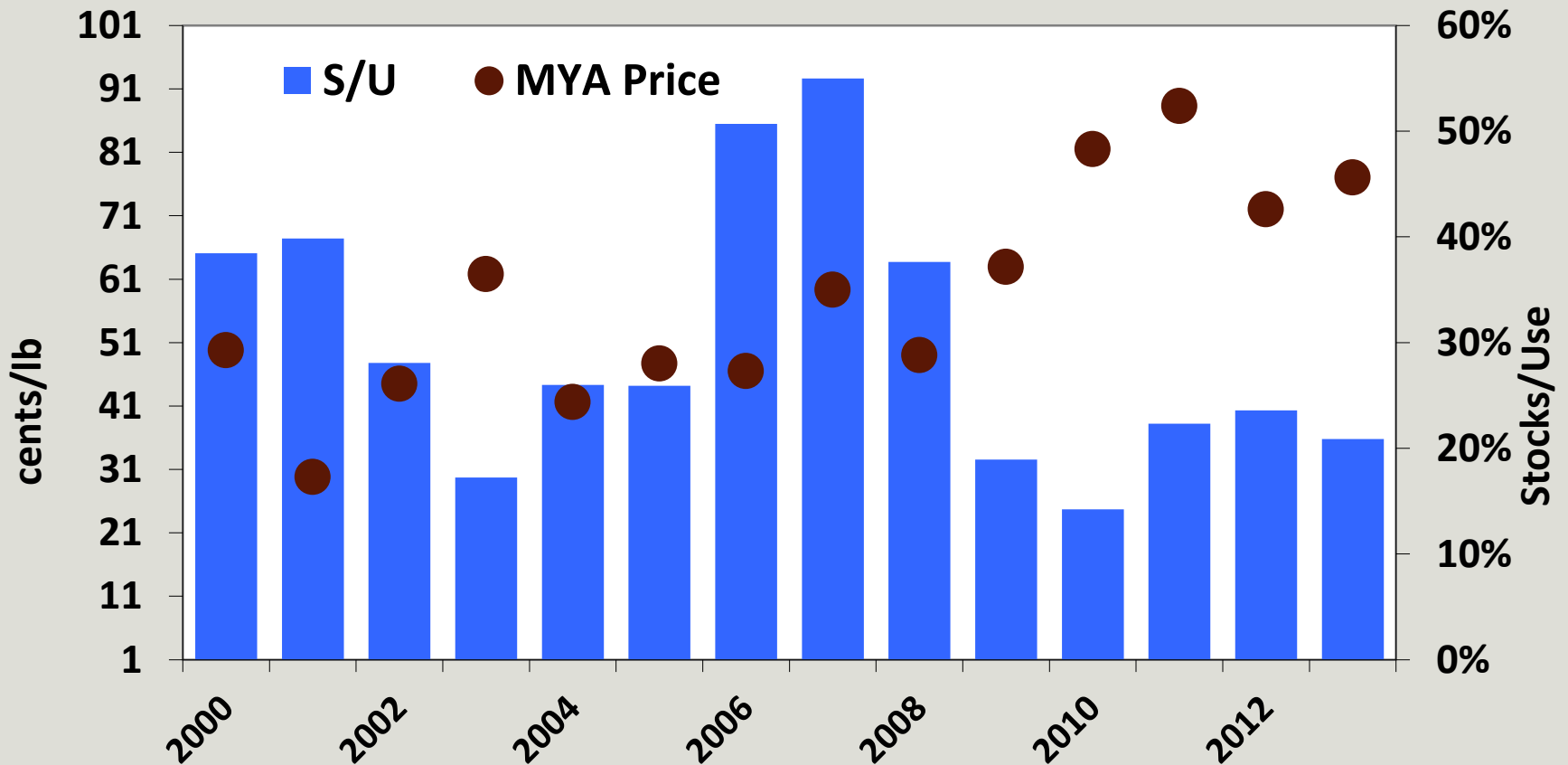
Chart: Nat'l Cotton Council

# U.S. Supply and Demand

## Million Bales

	<u>2012/13</u>	<u>2013/14</u>
Beginning Stocks	3.35	3.90
Production	17.32	12.90
Imports	0.01	0.01
Total Supply	20.68	16.81
Mill Use	3.50	3.50
Exports	13.03	10.40
Total Use	16.53	13.90
Ending Stocks	3.90	2.90
Stocks-to-Use Ratio	23.6%	20.9%

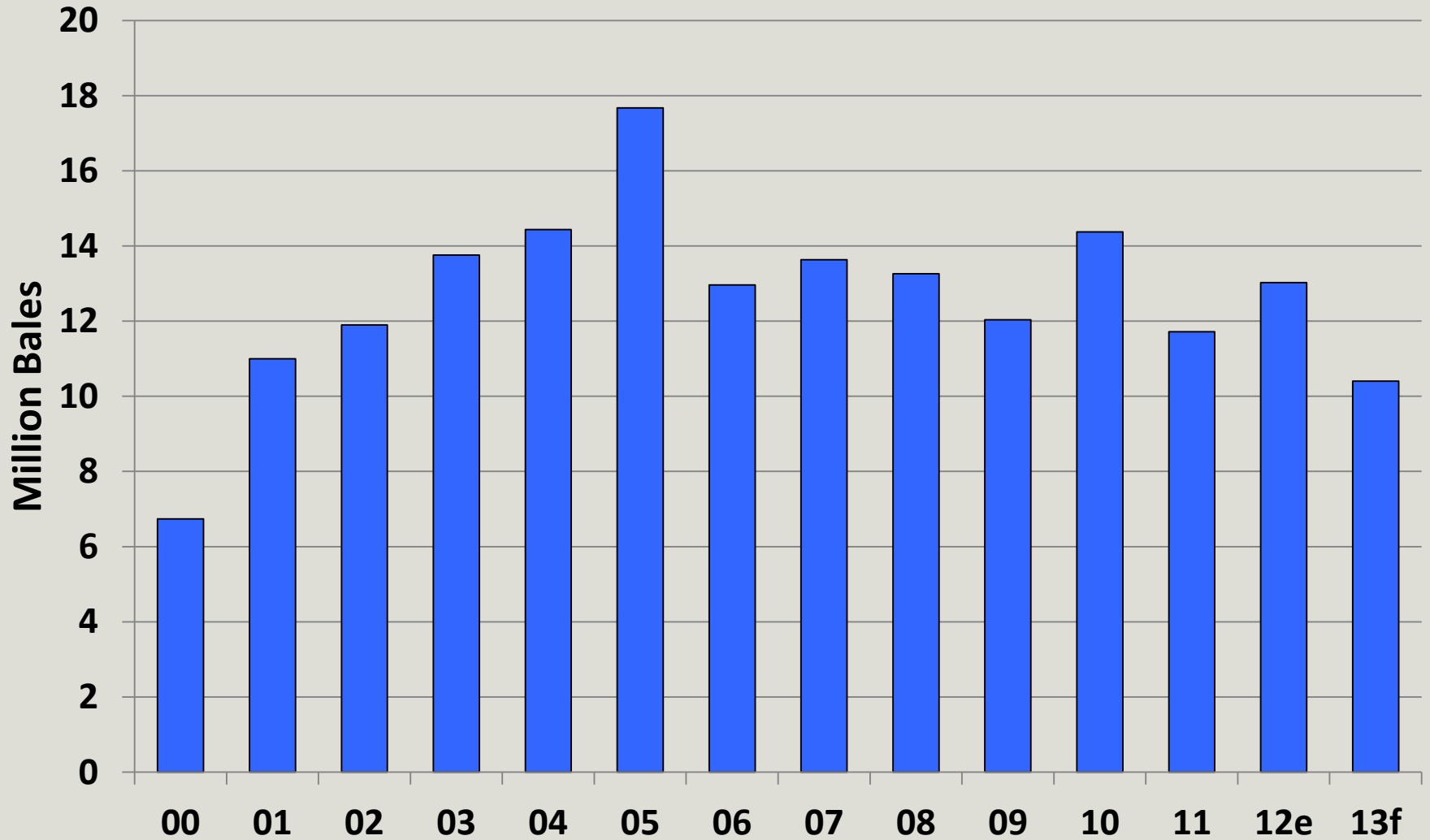
# STOCKS/USE VS MYA PRICE



# The World Market & U.S. Cotton Exports

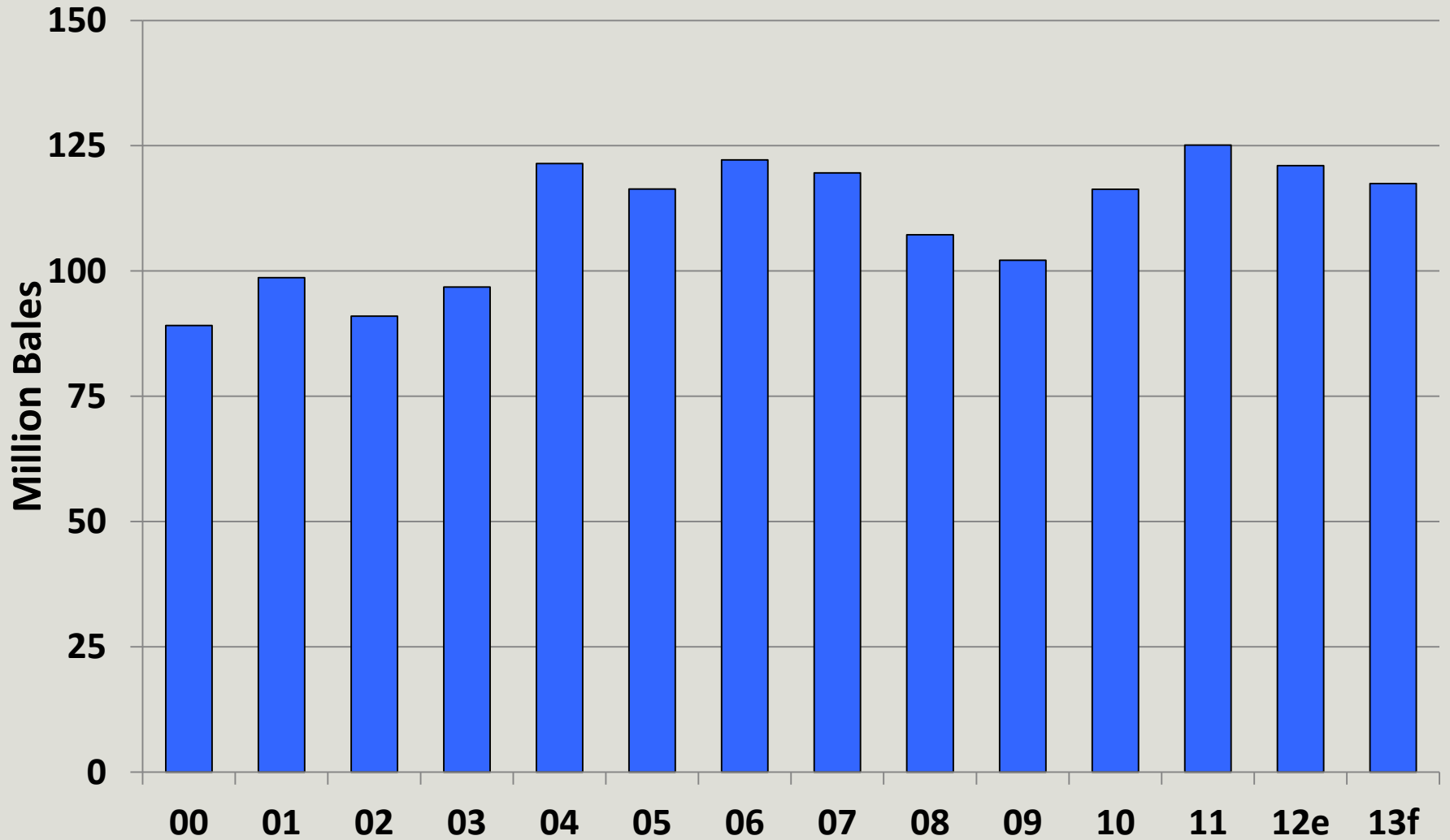


# U.S. Cotton Exports



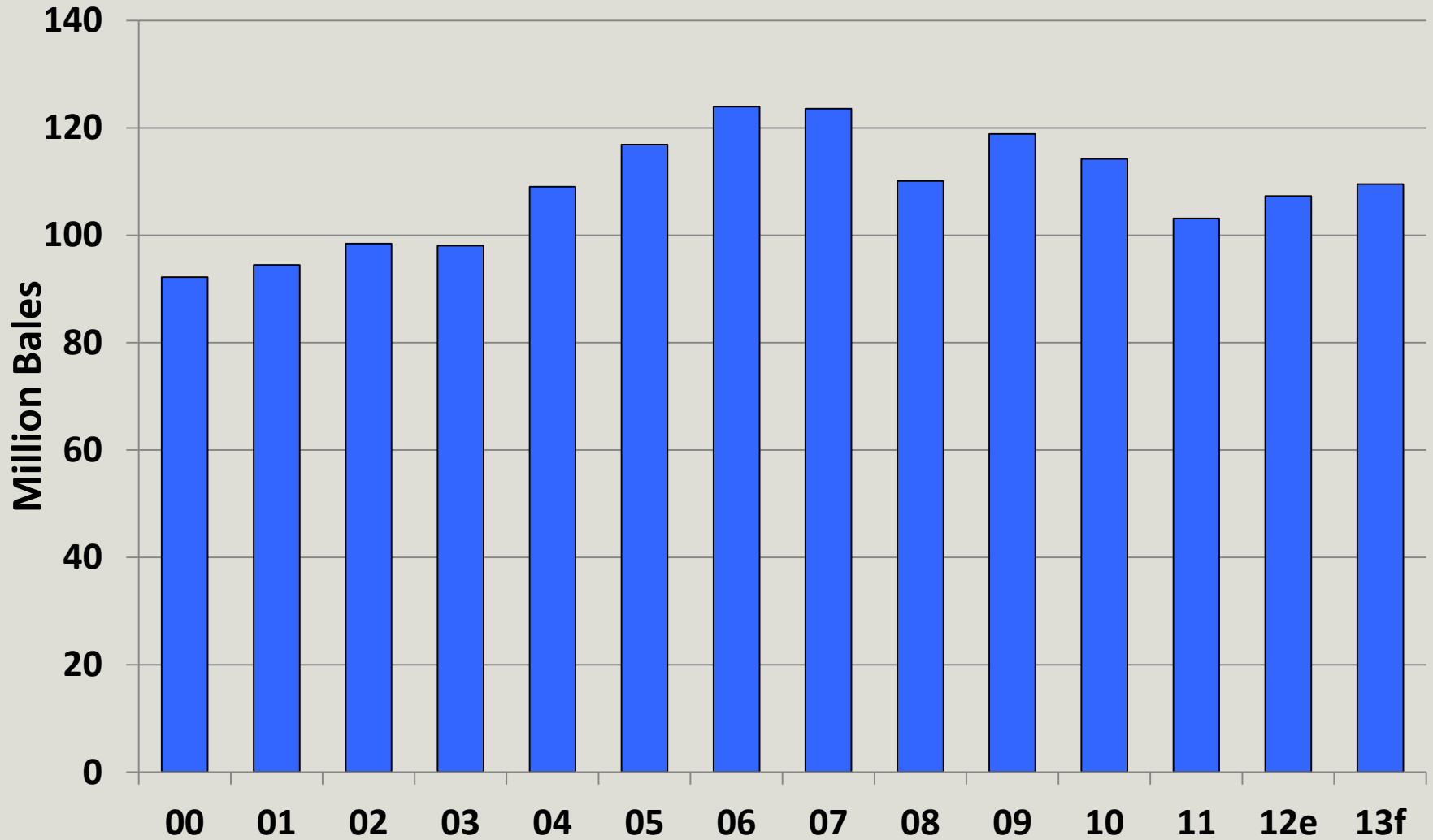
Data Source: USDA, WAOB

# World Cotton Production



Data Source: USDA, WAOB

# World Cotton Mill Use



Data Source: USDA, WAOB

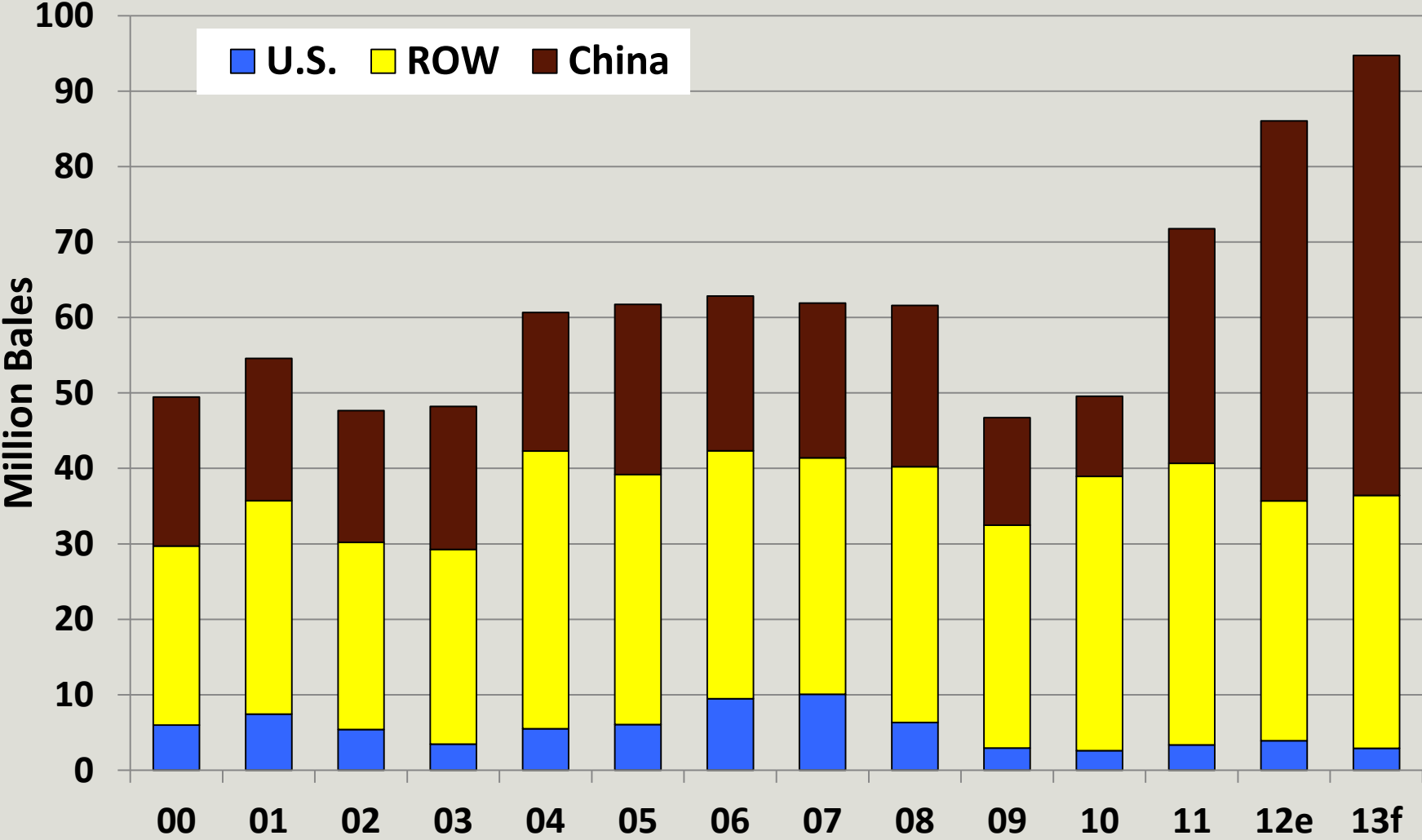


# World Supply and Demand

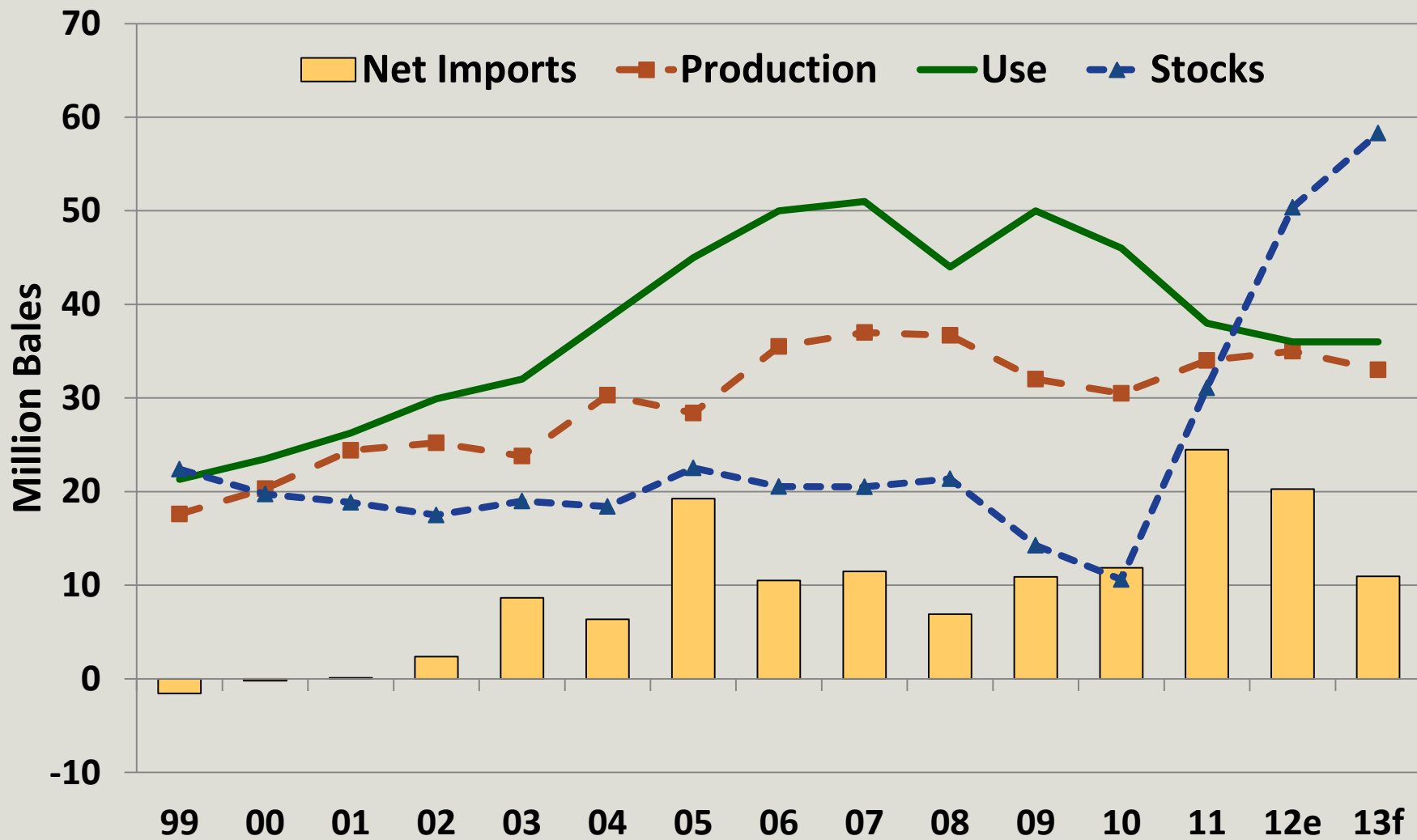
## Million Bales

	<u>2012/13</u>	<u>2013/14</u>
Beginning Stocks	71.77	86.04
Production	121.04	117.42
Imports	46.43	38.93
Mill Use	107.27	109.53
Exports	46.74	38.96
Ending Stocks	86.04	94.73
Stocks-to-Use	80.2%	86.5%

# World Cotton Ending Stocks

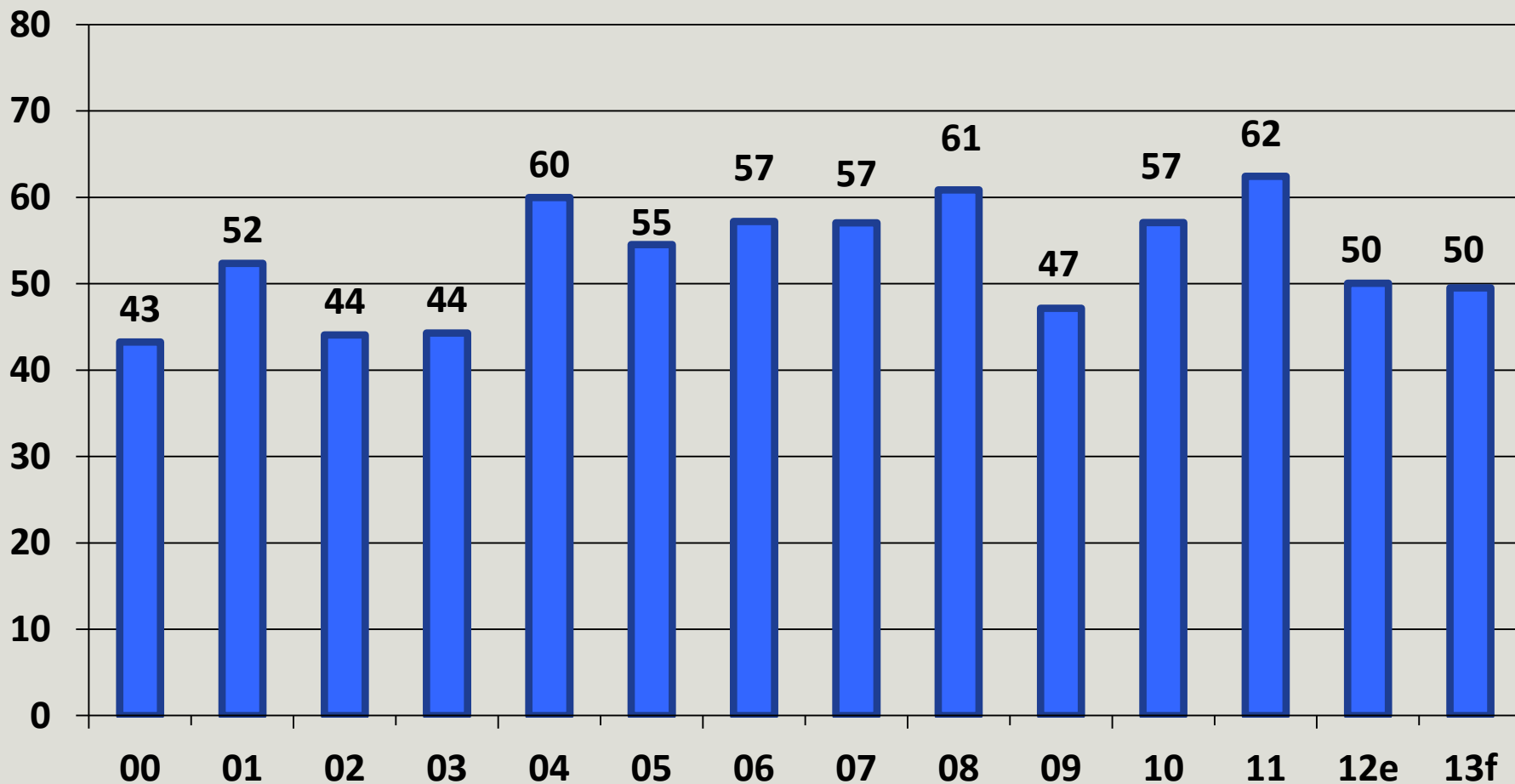


# China Cotton Supply & Use

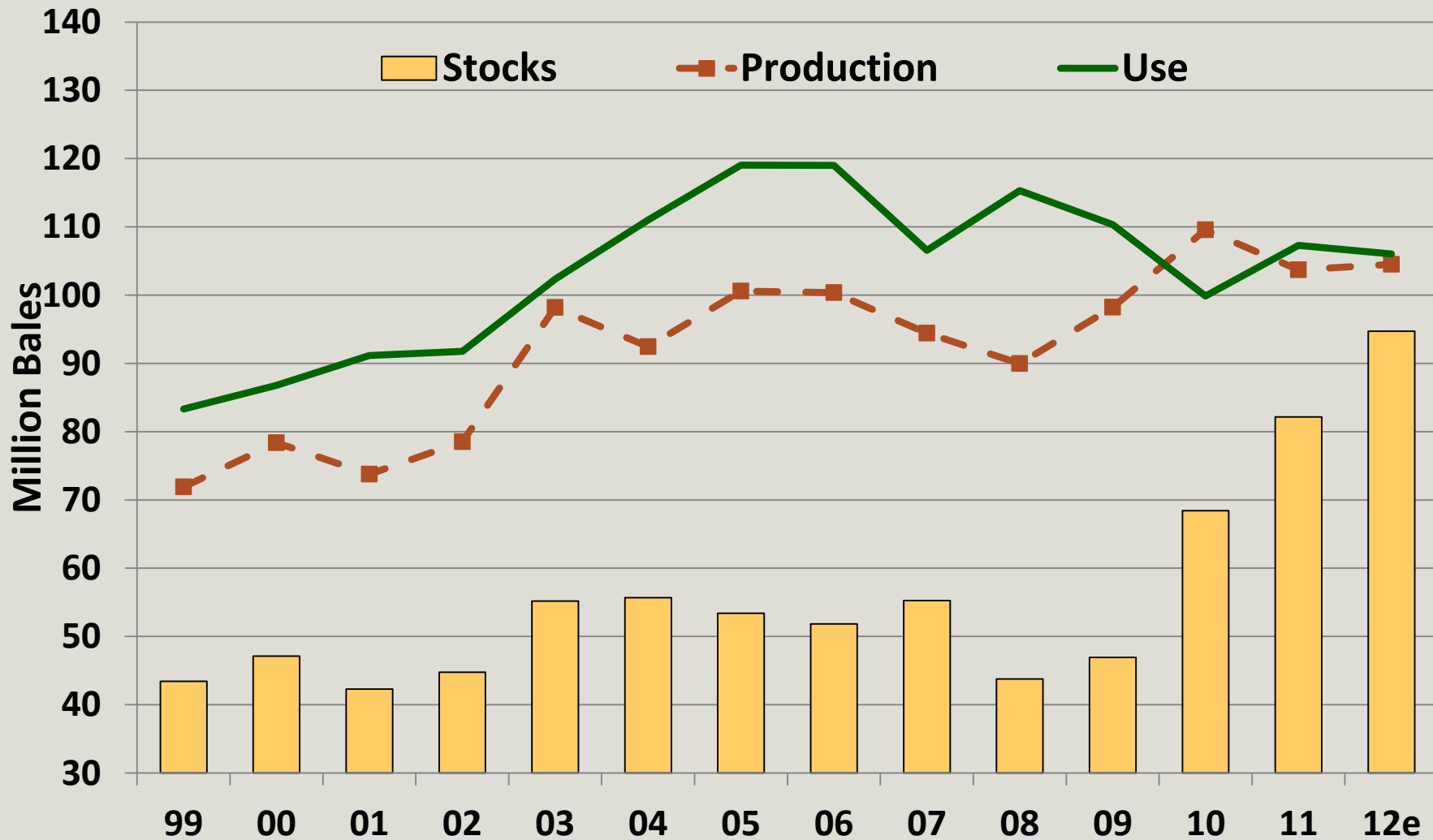


# COTTON STOCKS/USE (WORLD LESS CHINA)

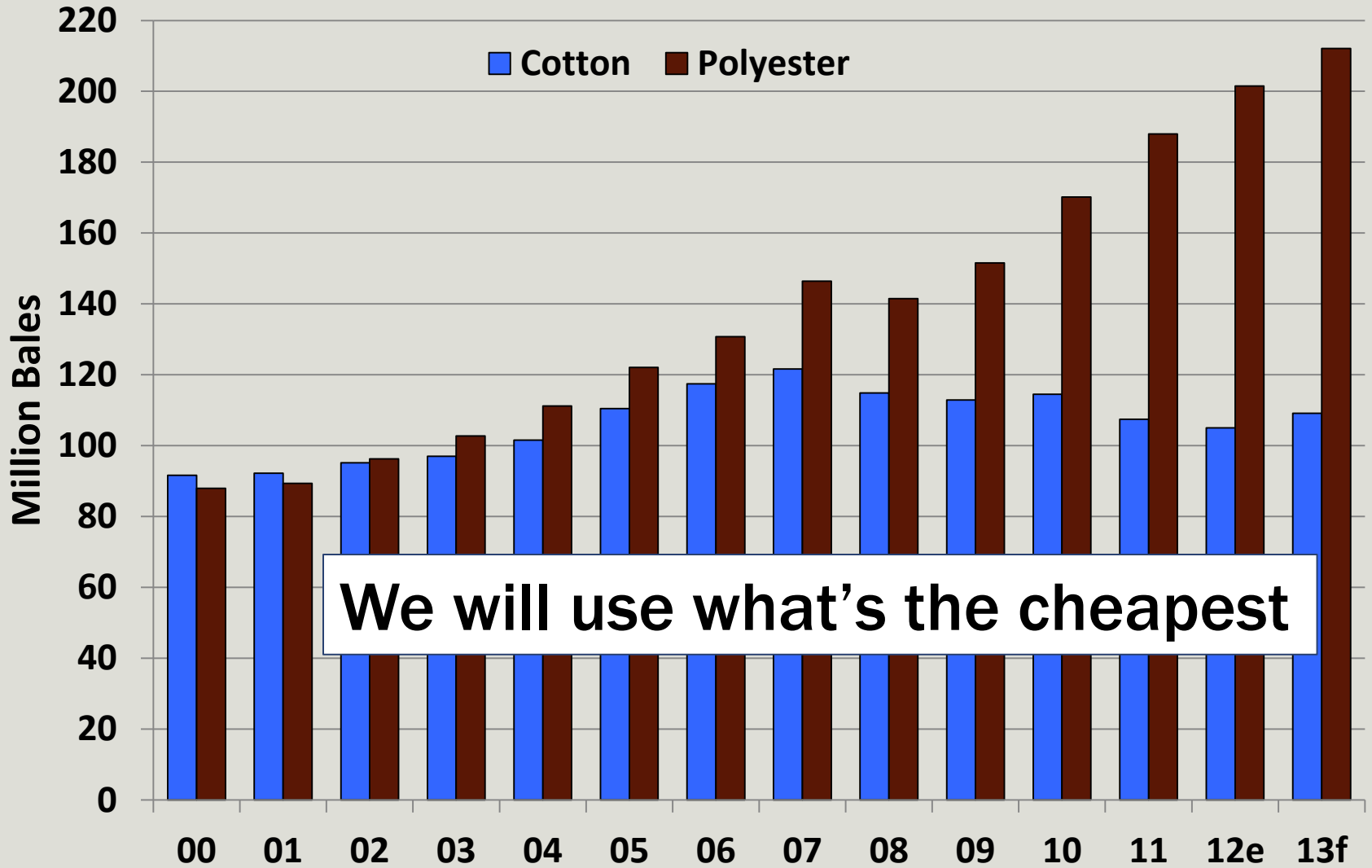
Percent



# Foreign Cotton Production & Use



# World Fiber Mill Use



**We will use what's the cheapest**



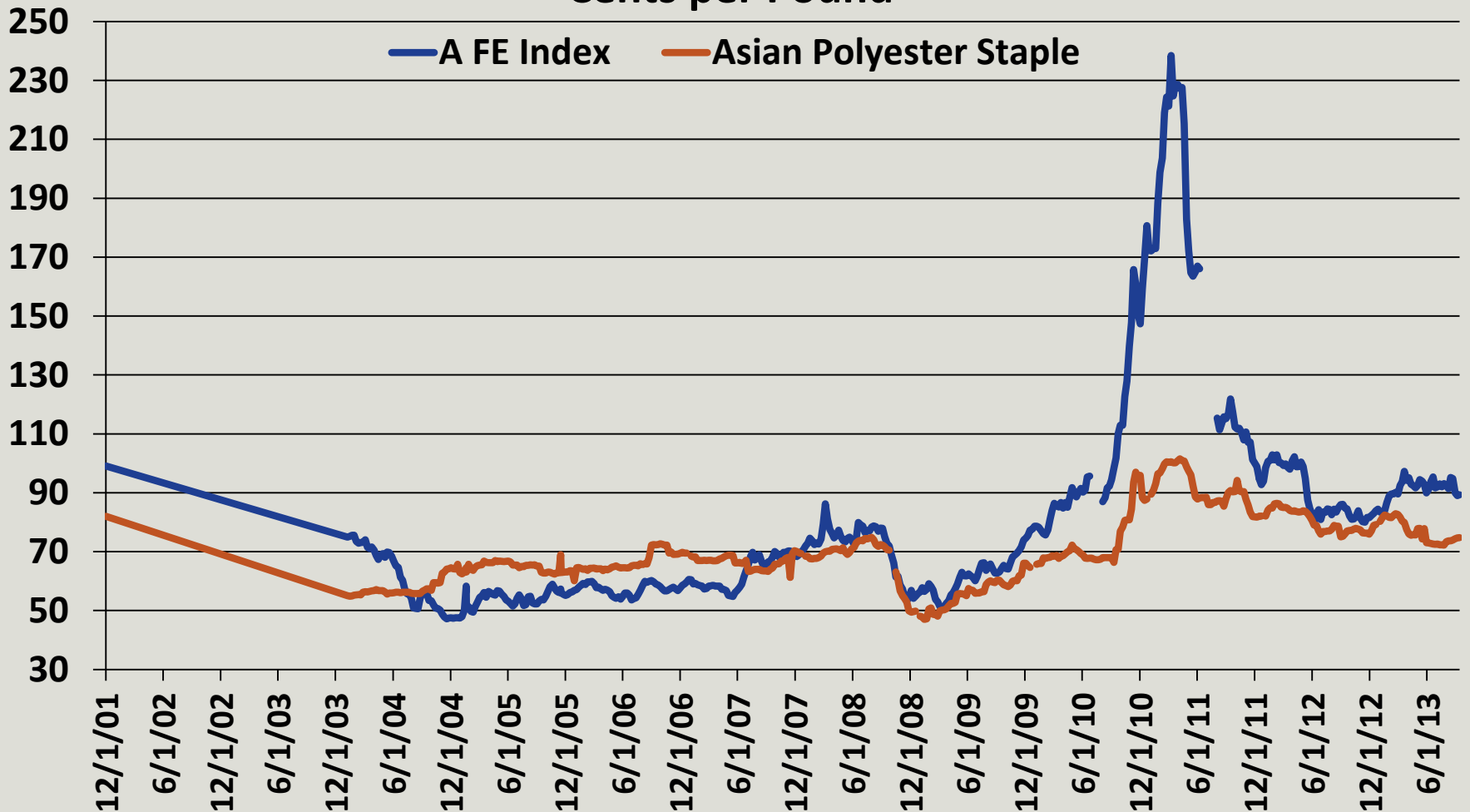
# Cotton Prices





# Fiber Prices

Cents per Pound



# DECEMBER COTTON FUTURES

Cents/Pound

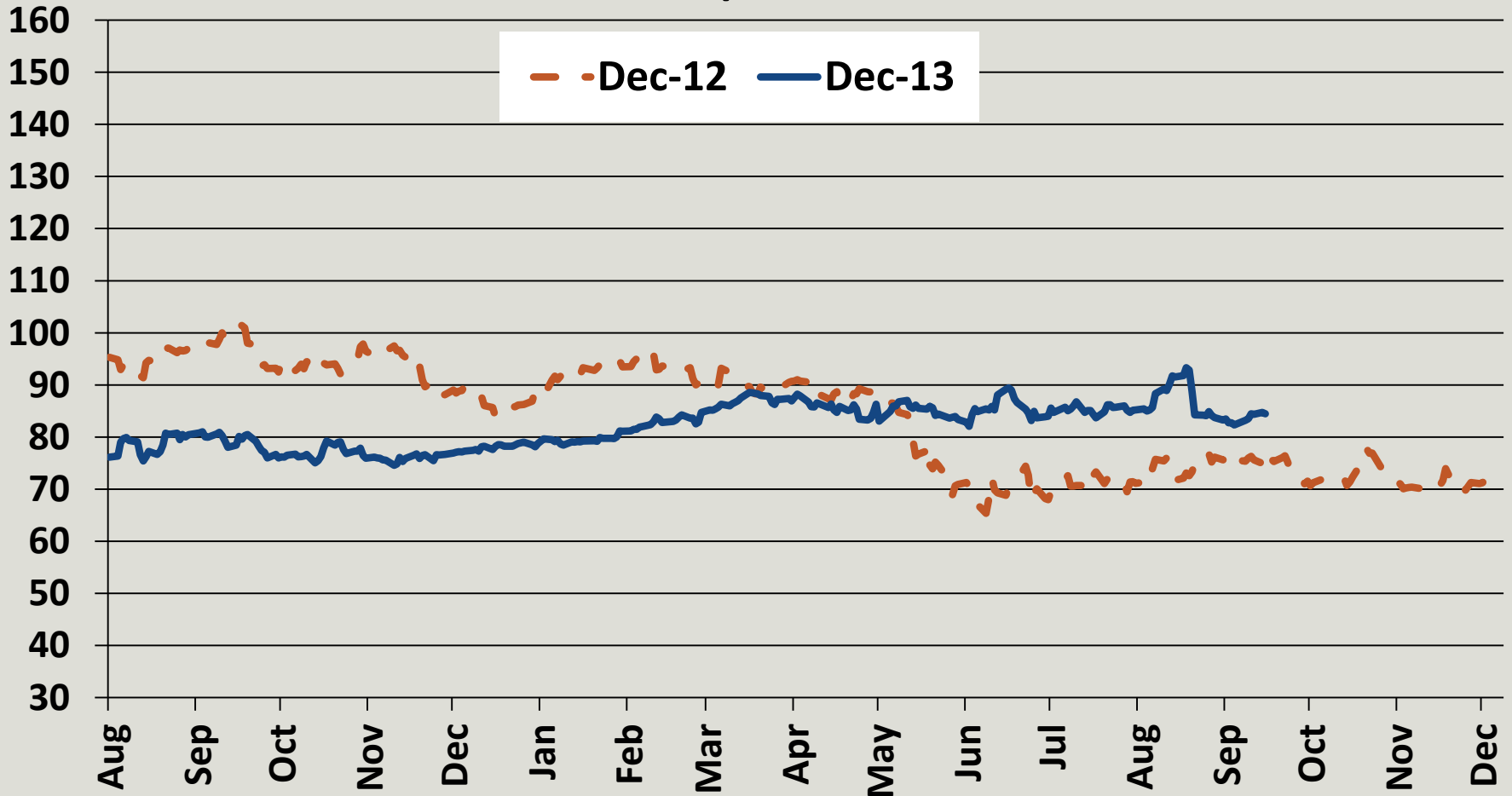
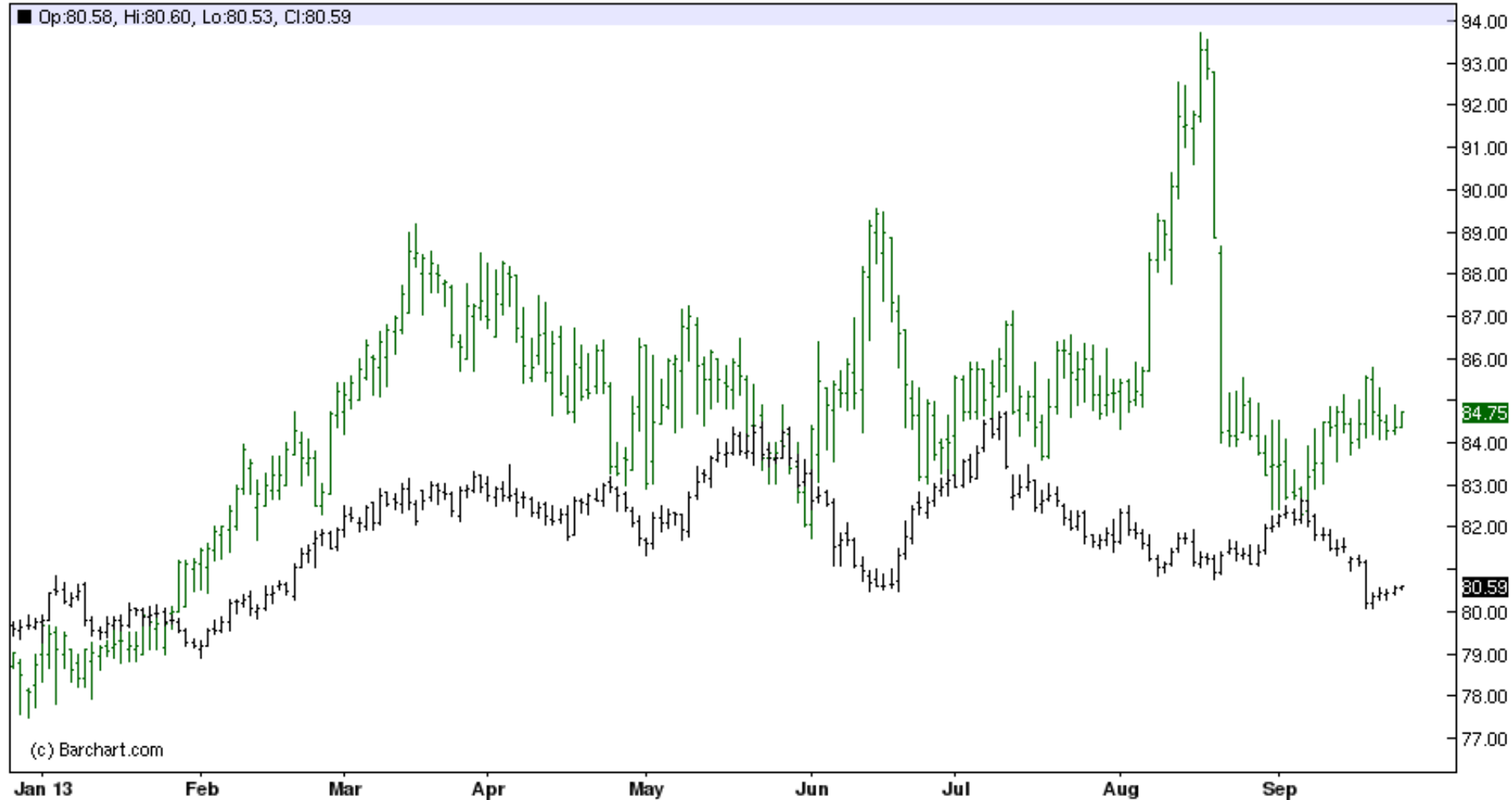


Chart: Nat'l Cotton Council

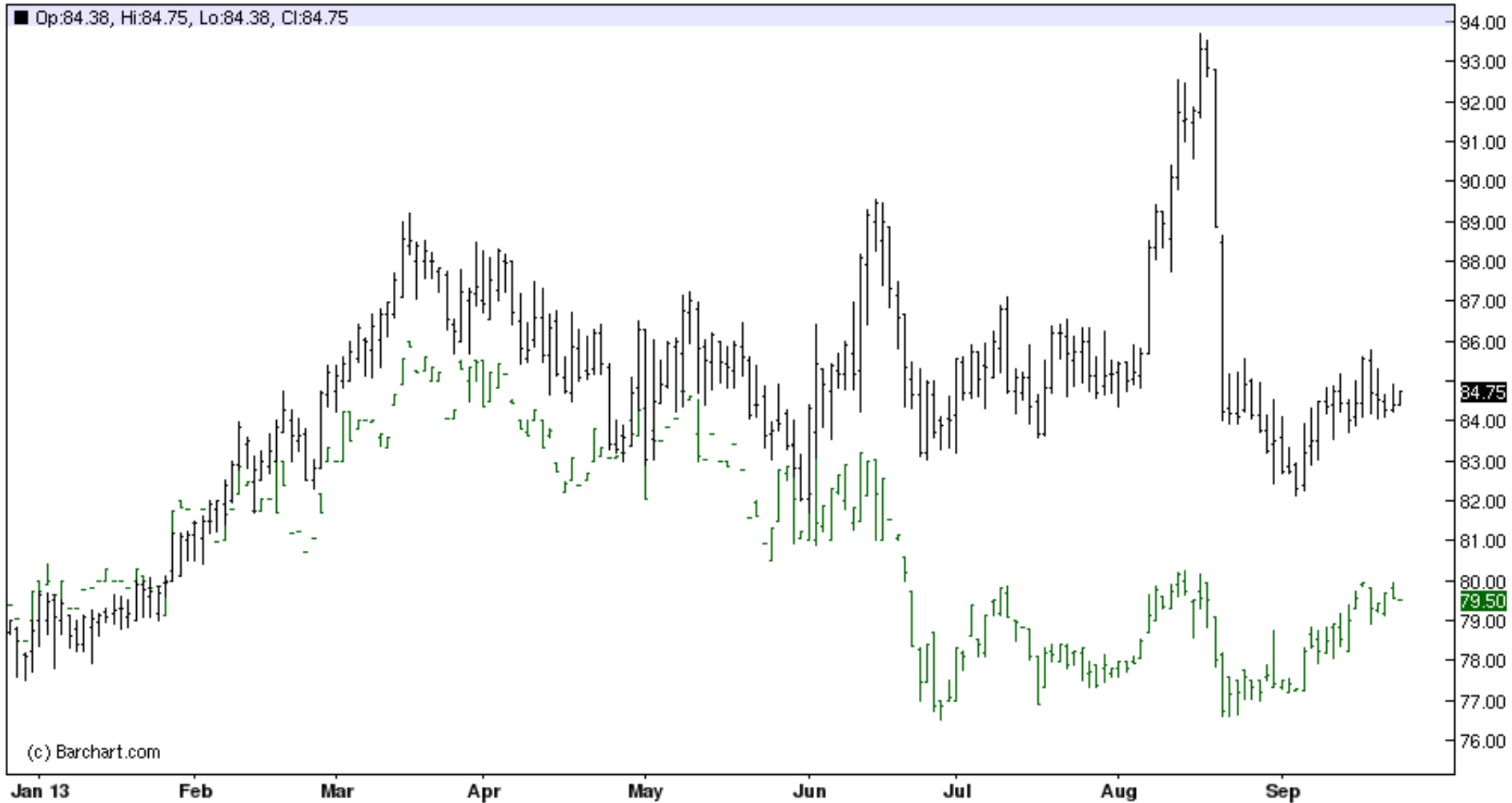
# DEC 2013 FUTURES VS US \$ INDEX

\$DXY - US Dollar Index - Daily OHLC Chart



# DEC 2013 VS DEC 2014

CTZ13 - Cotton #2 - Daily OHLC Chart



# OUTLOOK

- **Nothing operates in a vacuum**
  - **Depends on corn/soybean/peanut/... price**
- **China, China, China** {to the cadence of Jan Brady}
- **Prices have been rather range bound**
  - **Hard to see them breaking out... unless...**
- **CHINA, CHINA, CHINA**



TM

COTTON INCORPORATED



**MISSISSIPPI STATE**  
**UNIVERSITY**

**EXTENSION SERVICE**

# QUESTIONS?

... WITH MOSTLY VAGUE ANSWERS ...

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