

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

# COTTON MARKETING NEWS



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**Market Recovers..... Again**

It's hot and getting dry here in Georgia. Corn is drying down quickly and picking will begin soon in some areas. There was a story on WALB-TV in Albany last night about the dry conditions and it stated that some farmers "have already given up". That's an exaggeration, but we sure could use some rain.

When it comes to cotton, we've seen time and time again the ability of the plant physiologically to come back and make decent yields when we thought it wasn't possible. Likewise, the resilience of this year's cotton market and its ability to recover from setbacks has been remarkable. As a result, growers on rallies, continue to be afforded opportunities to make marketing decisions.

Cotton is having a big week price-wise. Since falling to a low of 73 cents back on July 20<sup>th</sup>, the market (December futures) has gained back around 5 ½ cents. We've gained over 3 cents just this week and, as of right now (this is being written before today's close), we're back over the 78-cent mark and actually knocking on the door at 79 cents.

The Mid-South and Southeast are dry. There are beginning to be concerns about the crop. Everyone expects a big US crop (it could be 1 million bales more than the current 18.3 mb estimate) but it's not made yet. The CCI (crop conditions index) has been mostly "good" and has held stable much of the season despite deteriorating crop conditions in some parts of the Cotton Belt.

With there being a good/large US crop coming, the demand side will also be important. The US is the world's largest cotton exporter. A larger crop means more available exports—but at what price? The demand side has been good and this continues to keep prices relatively high despite the likelihood of a large crop.

Mounting crop concerns should now also be supportive. If conditions should improve and concerns diminish, that might take some of this new wind out of our sails. The market remains very volatile-- we've seen the kind of quick and sometimes unexpected moves it can make. We're getting close to harvest. Use this latest rally to do some additional pricing if you feel you need to take protection on even more bales.



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