



# Cotton Market Report

Week Ending: Jul. 22, 2010

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Thurs. Close	Last Thurs. Close	Weekly Change	Week's High	Week's Low	Life of Contract High	Life of Contract Low
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### NEW YORK COTTON FUTURES (Cents/lb.)

October-10	79.57	78.52	1.05	81.14	77.78	101.92	52.69
December-10	74.71	73.47	1.24	74.98	72.96	101.72	53.51
March-11	74.11	74.40	-0.29	75.95	73.51	103.30	57.57
May-11	74.84	75.22	-0.38	76.20	74.22	96.52	50.02
July-11	75.79	75.67	0.12	76.45	74.87	94.96	58.57
October-11	73.38	74.17	-0.79	74.27	72.87	81.42	59.70
December-11	72.18	72.42	-0.24	73.00	71.12	81.28	61.07
March-12	73.40	73.57	-0.17	73.71	72.27	102.03	56.32
May-12	73.39	73.37	0.02	73.51	72.16	83.53	72.16

### CHICAGO CORN FUTURES (Cents/Bu.)

September-10	376.50	392.50	-16.00	395.50	373.50	484.00	333.00
December-10	390.25	405.25	-15.00	408.25	386.25	703.00	343.25
March-11	403.50	416.00	-12.50	418.00	399.25	480.00	356.75
May-11	411.50	423.25	-11.75	424.75	408.25	477.75	366.50
July-11	418.25	430.00	-11.75	431.00	414.50	667.00	375.25

### CHICAGO SOYBEAN FUTURES (Cents/Bu.)

August-10	1016.00	1019.00	-3.00	1025.50	999.00	1075.00	817.50
September-10	990.50	1001.00	-10.50	1005.00	978.50	1059.50	817.50
November-10	979.50	988.00	-8.50	992.00	962.75	1332.00	812.00
January-11	987.50	995.00	-7.50	998.00	973.00	1063.00	817.00
March-11	991.00	996.50	-5.50	1001.00	977.00	1067.00	822.00
May-11	992.50	994.75	-2.25	1001.00	979.00	1021.50	852.00
July-11	999.50	1002.50	-3.00	1009.00	992.50	1570.00	822.00

### ON-CALL COTTON (Thousand Running Bales)

As of July 16, 2010

Contract	Call Sales	Week's Change	Call Purch.	Week's Change
July '10	0	*-6	0	*0
October '10	764	-149	13	0
December '10	16,571	*-764	7,365	-21
March '11	18,411	1,324	472	-110
May '11	11,802	*1,701	10	*0
July '11	15,513	*425	764	0
October '11	350	0	0	0
December '11	6,332	*10	1,685	3
March '12	1,152	0	23	0
May '12	660	-1	33	*0
July '12	313	0	88	0
December '12	235	0	3,015	0
March '13	185	0	0	0

### CERTIFICATED STOCKS (Running Bales)

As of July 22, 2010

	Stocks	Review
Galveston	10,747	-
Greenville	6,987	-
Houston	41	-
Memphis	37,613	-
N. Orleans	1	-
<b>TOTAL</b>	<b>55,389</b>	<b>-</b>

### U.S. WEEKLY PRICES (cents/lb.)

Week ending July 22, 2010

	3135	4134
Spot Market	80.33	76.19
US Mill Del.	NQ	NQ

\* Indicates changes from previous week based on revised data for last week.

SPEC AND HEDGE REPORT (Contracts)

As of July 16, 2010

	Longs	Accounts	%	Shorts	Accounts	%
SPECS	63,285	926	40.6%	66,989	1,155	42.9%
HEDGES	92,740	252	59.4%	89,036	252	57.1%
TOTAL	156,025	1,178	100.0%	156,025	1,407	100.0%
Net Spec Position			-2.4%	Spec Share of O.I.		41.7%

WORLD MARKET (Cents/Lb.)

Effective July 23 - July 29, '10

	Current	Forward
AWP	65.84	NA
5 Lowest Far East Quotes	NA	82.88
USFE Low Quote	NA	83.60
USFE-5 Lowest Far East Quotes	NA	0.72
Fine Count Adj ('09 Crop)	0.28	NA
Fine Count Adj ('10 Crop)	0.38	NA
Coarse Count Adj	0.00	NA
Open Quotas	3	NA
LDP	0.00	NA
ELS Comp Pymnt	0.00	NA

U.S. COTTON EXPORTS (Thou. 480-lb. Bales)

Week ending July 15, 2010

	Week	Total	Total	Week	Total
	09/10	09/10	08/09	10/11	10/11
Sales	95.5	13,931.8	14,251.4	298.0	3,302.7
Shipments	344.1	11,394.4	12,645.5	0.0	0.0

TOP 10 CUSTOMERS OF U.S. RAW COTTON (Thou. 480-Lb. Bales)

Country	09/10	09Share	10/11	10Share
CHINA	4,541	33%	948	29%
TURKEY	2,389	17%	310	9%
MEXICO	1,643	12%	451	14%
INDONESIA	685	5%	293	9%
THAILAND	646	5%	164	5%
VIETNAM	585	4%	142	4%
TAIWAN	489	4%	44	1%
KOREAN REPUBLIC	448	3%	234	7%
BANGLADESH	391	3%	71	2%
PERU	334	2%	80	2%
TOTAL	13,932		3,303	

CHINA WEEKLY PRICES (cents/lb.)

Week ending July 22, 2010

	This Week*	Year Ago	% Change
A (Far East)	83.33	66.27	26%
CnCotton A	125.37	89.70	40%
Polyester	62.93	57.22	10%

Source: A (FE) - Cotton Outlook; Other - China Cotton Website

\* A(FE) based on forward quotes

Weighted MY Avg. Farm Price

09/10 Year-to-date (Aug - May)	61.92 cents*
09/10 proj.	62.50 cents**
10/11 proj.	60.00 - 74.00 cents**

\* August - July price used in determination of counter-cyclical payment.

\*\*09/10 projections by USDA, 10/11 projections by USDA.

CCC LOAN INTEREST RATES

	1995*	1996**
June	0.375%	1.375%
July	0.375%	1.375%

\* Applies to 1995 and prior crop loans.

\*\* Applies to 1996 and subsequent crop loans.

CCC LOAN STOCKS (Includes '08 & '09 Crop)

	As of July 20, 2010		
	Form A	Form G	Total
Upland	(Running Bales)		
Southeast	55	395,361	395,416
Mid-South	48,674	190,735	239,409
Southwest	15,067	69,762	84,829
West	397	23,213	23,610
U.S.	64,193	679,071	743,264
ELS			
U.S.	318	4,959	5,277

STATE OF THE ECONOMY

Week ending July 22, 2010

	Thursday	Last	% Change
	Settlement	Thursday	YTD
Dow Jones Ind. Avg.	10,322	10,359	-1%
S&P 500	1,094	1,096	-2%
10-Yr Treas. Bond Rate	2.938%	2.993%	-23%
NASDAQ Composite	2,246	2,249	-1%
Russell 2000	635	635	2%
Japanese Nikkei Stock Avg	9,221	9,686	-13%
Hong Kong Hang Seng	20,590	20,256	-6%
Singapore Straits Times	2,956	2,944	2%
Euro (in U.S.\$)	1.29	1.29	-10%
Japanese Yen (per U.S.\$)	86.90	87.45	-7%
WTx Int Crude Oil (\$/barrel)	79.30	76.62	0%
Diesel, Ultra-low (\$/gal)	2.12	2.08	0%
Natural Gas (\$/million btu)	4.69	4.47	-19%

**COTTON SUPPLY AND DEMAND (Million 480-lb. Bales)**

Estimates for July 2010

	US		World	
	09/10	10/11p	09/10	10/11p
	Beginning Stocks	6.3	2.9	62.1
Production	12.2	18.3	102.6	116.0
Imports	0.0	0.0	35.6	37.1
Total Supply	18.5	21.2	200.3	204.1
Mill Use	3.4	3.4	116.6	119.7
Exports	12.3	14.3	35.3	37.0
Total Use	15.7	17.7	151.9	156.7
Ending Stocks	2.9	3.5	51.0	49.9
Stocks/Use Ratio	18.6%	19.8%	43.7%	41.7%

\*09/10 estimates by USDA, 10/11 projections by USDA.

**U.S. MILL CONSUMPTION (480-lb. bales)**

	Jun 10	May 10
Daily (Thou.)	13.74	14.22
Annualized (Mil.)	3.49	3.58

**US COTTONSEED SUPPLY AND DISAPPEARANCE**

(000 Short Tons)

	Marketing Year	
	09/10	10/11
Beg. Stocks	514	425
Imports	0	0
Production	4,149	6,090
Total Supply	4,663	6,515
Crush	1,900	2,450
Exports	270	450
Other	2,068	3,110
Total Demand	4,238	6,010
End. Stocks	425	505

USDA-ERS July Oil Crops Outlook.

**U.S. COTTON PLANTINGS, PRODUCTION, AND YIELD**

2009

	2009	2009 Yield	2009 Actual	2010 Estimated	Percent Change
	Production 480- Lb. Bales (Thou.) 1/	per Harv. Acre (Lb.) 1/	Acreage (Thou.) 1/	Plantings (Thou.) 2/	
<b>UPLAND</b>					
<b>SOUTHEAST</b>	3,431	884	1,891	2,525	33.5%
Alabama	345	668	255	370	45.1%
Florida	118	723	82	90	9.8%
Georgia	1,860	902	1,000	1,250	25.0%
North Carolina	763	990	375	570	52.0%
South Carolina	207	872	115	175	52.2%
Virginia	138	1,052	64	70	9.4%
<b>MID-SOUTH</b>	2,610	806	1,627	1,880	15.6%
Arkansas	852	818	520	530	1.9%
Louisiana	349	745	230	230	0.0%
Mississippi	415	687	305	420	37.7%
Missouri	502	927	272	300	10.3%
Tennessee	492	843	300	400	33.3%
<b>SOUTHWEST</b>	4,992	643	5,243	5,950	13.5%
Kansas	53	748	38	40	5.3%
Oklahoma	319	785	205	210	2.4%
Texas	4,620	634	5,000	5,700	14.0%
<b>WEST</b>	755	1,488	247	345	39.6%
Arizona	443	1,477	145	185	27.6%
California	240	1,646	71	125	76.1%
New Mexico	72	1,172	31	35	12.5%
<b>TOTAL UPLAND</b>	11,788	766	9,008	10,700	18.8%
<b>TOTAL ELS</b>	400	1,389	141	209	47.8%
Arizona	4	1,170	2	3	87.5%
California	361	1,494	119	185	55.5%
New Mexico	4	686	3	3	7.1%
Texas	31	836	18	18	0.0%
<b>ALL COTTON</b>	12,188	777	9,150	10,909	19.2%

1/ USDA-NASS May Crop Production Report.

2/ USDA-NASS June Acreage Report.

**US COTTONSEED MEAL SUPPLY AND DISAPPEARANCE**

(000 Short Tons)

	Marketing Year	
	09/10	10/11
Beg. Stocks	17	50
Imports	0	0
Production	875	1,105
Total Supply	892	1,155
Consumption	742	1,005
Exports	100	100
Total Demand	842	1,105
End. Stocks	50	50

USDA-ERS July Oil Crops Outlook.

**US COTTONSEED OIL SUPPLY AND DISAPPEARANCE**

(Million Pounds)

	Marketing Year	
	09/10	10/11
Beg. Stocks	121	110
Imports	0	0
Production	610	770
Total Supply	731	880
Domestic Consumption	516	630
Exports	105	150
Total Demand	621	780
End. Stocks	110	100

USDA-ERS July Oil Crops Outlook.

US CROP PROGRESS

PERCENT SQUARING

PERCENT SETTING BOLLS

	7/18/10	7/11/10	7/18/09	5-Yr Avg	7/18/10	7/11/10	7/18/09	5-Yr Avg
Alabama	81	73	79	81	50	35	22	38
Arizona	80	70	86	91	50	25	53	58
Arkansas	100	99	91	98	77	68	42	69
California	85	75	88	87	28	16	43	43
Georgia	92	84	80	84	54	40	34	45
Kansas	71	49	62	68	5	1	10	5
Louisiana	96	93	100	98	73	60	79	76
Mississippi	98	96	97	98	79	67	55	63
Missouri	97	78	83	92	52	32	26	45
North Carolina	90	87	94	95	52	35	56	37
Oklahoma	78	74	66	65	30	18	6	10
South Carolina	84	69	83	78	25	18	18	21
Tennessee	94	86	94	96	43	18	33	44
Texas	81	75	79	70	30	14	22	23
Virginia	75	62	71	83	49	42	34	34
US	86	79	82	78	41	26	30	34
Southeast	89	81	83	86	51	37	36	40
Mid-South	97	91	93	97	66	50	45	59
Southwest	81	75	78	70	30	14	21	22
West	83	73	87	89	36	19	47	49

1/ These 15 states planted 99% of last year's cotton acreage.

\* Revised.

US CROP CONDITION

	Week Ending				7/18/10
	VP	P	F	G	E
Alabama	3	5	36	48	8
Arizona	0	1	19	60	20
Arkansas	1	6	33	37	23
California	0	0	40	50	10
Georgia	3	7	32	44	14
Kansas	0	2	27	61	10
Louisiana	0	13	25	57	5
Mississippi	2	8	28	48	14
Missouri	3	14	25	55	3
North Carolina	8	15	32	40	5
Oklahoma	0	1	12	62	25
South Carolina	1	8	36	49	6
Tennessee	0	1	23	63	13
Texas	2	3	21	51	23
Virginia	1	1	48	50	0
US	2	5	25	50	18
Previous Week	2	5	26	51	16
Previous Year	7	13	35	35	10