



COTTON MARKETING NEWS

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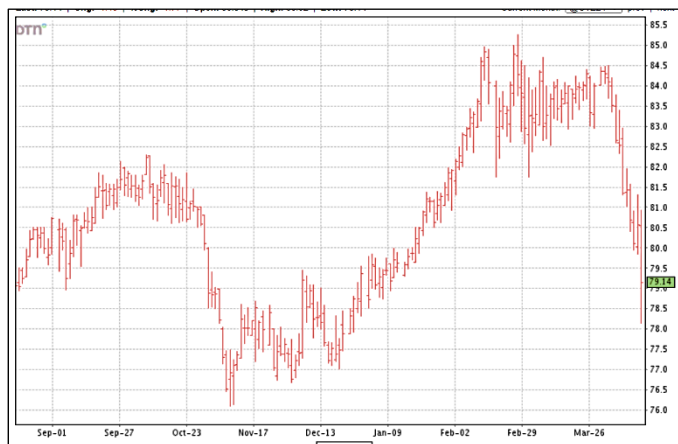
April 16, 2024

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Cotton's Suddenly Bearish Tone is Concerning

Things sure have changed quickly. New crop Dec24 futures broke through "support" at 82 cents and have continued the downfall. Dec24 has declined over 5 cents in the last 12 trading days—closing down 1.43 cents today; now standing just over 79 cents.



When prices were at the 83 to 85 cents area, that was discouraging and below cost for many growers. Many growers were waiting on price to advance to 90 cents before starting to sell forward. This decline now would seem to make 90 cents a more distant dream. Not impossible because things can change quickly. But it's just maybe a harder climb now.

Export shipments have been good, but sales have been weak. Shipments over the last four weeks have averaged 367,300 bales per week. Shipments need to average roughly 273,000 bales per week for the remainder of the marketing year to meet USDA's projection of 12.3 million bales for the year. So, we're on pace to make or exceed that—but poor sales are a concern. Weak sales could make it difficult to continue the pace of shipments.

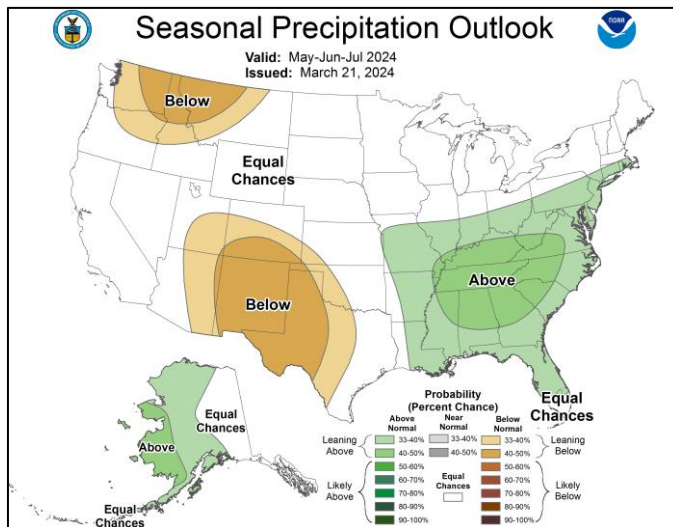
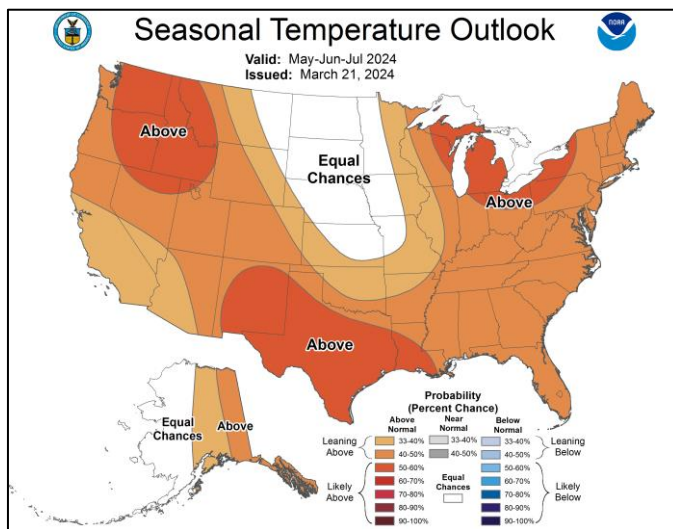
USDA's April supply/demand estimates were a mixed bag:

- US production and exports for the 2023 crop year were unchanged from the March estimates.
- World Use/demand was lowered slightly.
- But China Use and imports were both increased.
- US exports were held unchanged but were revised up for Australia, Brazil, India, and Turkey. This could be a concern.

USDA's first production and supply/demand projections for the 2024 crop will be released in May.

Will the recent decline in prices, should it not improve/recover, have any impact on cotton acres to be planted? Are we too far along to make acreage changes now?

It's early, but as of April 14, the crop is 8% planted which is normal for that date. TX and GA are just slightly behind normal. AR, MO, SC, and VA are slightly ahead of normal.



The 90-day outlook for May-June-July could be above normal in temps and maybe above normal in precip in the Southeast and Mid-South; maybe below normal in west and central Texas.

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