



# COTTON MARKETING NEWS

Volume 21, No. 8

July 6, 2023

Sponsored by



## Acreage Report and Other Factors

Prices (new crop Dec futures) reached a new recent low of 77 cents—losing a little over 3 cents in 3 days. The new low was the lowest price since mid-December.

This move to the 77-cents area broke solid support the market had at around 79. As in the past, prices thankfully have since rallied (found reason to rally) back above previous support and currently stand at 79 to 80 cents after initially reaching over 81 cents.



Last week on June 30, USDA released its first official estimate of actual acres planted for 2023. As expected, actual acres planted are less than what farmers said they intended to plant back in March. However, this acreage planted (11.09 million acres—19.4% less than last year) is still more than what some industry observers believe is out there.

Nevertheless, we all know that acres harvested and yield are more important. Reports beginning next week with USDA’s July numbers and continuing weekly and monthly thereafter, will update the condition, projected harvest acres, and yield for this crop. The market will react accordingly. NOTE: The “expected” or “most likely” price range is still 79 to 86 cents (see the May 18 issue of this newsletter) but this recent move to 77 cents now creates a little more downside potential and risk.

The crop condition index (excellent=5, good=4, fair=3, poor=1, very poor=0) has not changed dramatically but has slipped 3 of the past 4 weeks. The index was 3.27 on July 2 vs 3.46 a month earlier on June 4. The Texas crop was 32% poor to very poor on June 2.

Portions of west Texas and the Panhandle area have received rainfall over the past couple of weeks but the amount is still below normal in some of those areas. In fact, precip has been below normal across much of the cotton belt. The 10-day (July 6 – July 14) forecast is for small amounts of rain over Texas but larger amounts of rain, some heavy, over the mid-south and southeast.

	US Cotton Acres Planted <sup>1</sup>		
	2022 Actual	2023	
		Intentions <sup>2</sup>	Actual <sup>3</sup>
Alabama	435	400	380
Arizona	102	116	87
Arkansas	640	480	480
California	134	105	83
Florida	106	90	90
Georgia	1,290	1,200	1,200
Kansas	165	115	170
Louisiana	195	130	130
Mississippi	530	400	380
Missouri	360	360	350
New Mexico	85	78	45
North Carolina	470	360	380
Oklahoma	670	530	570
South Carolina	270	240	230
Tennessee	335	335	310
Texas	7,883	6,235	6,117
Virginia	91	82	85
<b>Total US</b>	<b>13,761</b>	<b>11,256</b>	<b>11,087</b>

1/ Thousand acres.  
 2/ Prospective Plantings, USDA, March 31, 2023.  
 3/ Acreage, USDA, June 30, 2023.

It’s reported by some that there are new demand concerns that seem to be surfacing. Export shipments for the most previous 4-week period have averaged 271,600 bales per week. With a little over 5 reporting weeks left in the 2022 crop marketing year, shipments need to average roughly 355,000 bales to meet USDA’s 13 million bale projection. The export pace has slowed a bit and will need to pick up to meet the 13 million bales mark.

  
 Don Shurley  
 Cotton Economist-Retired  
 Professor Emeritus of Cotton Economics

