



Cotton Market Report

Week Ending: **Aug. 26, 2010**

Market Page 1.

	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	89.24	87.98	1.26	89.59	86.30	101.92	52.69
December-10	86.15	84.14	2.01	86.50	82.46	101.72	53.51
March-11	84.79	82.51	2.28	84.88	81.17	103.30	57.57
May-11	84.74	82.38	2.36	84.78	81.56	96.52	50.02
July-11	84.58	82.38	2.20	84.58	81.46	94.96	58.57
October-11	80.90	78.74	2.16	80.90	78.49	81.42	59.70
December-11	78.90	76.99	1.91	78.93	76.50	81.28	61.07
March-12	79.16	77.60	1.56	79.16	77.41	102.03	56.32
May-12	77.82	76.93	0.89	77.82	76.78	83.53	72.16

CHICAGO CORN FUTURES (Cents/Bu.)

September-10	416.50	414.25	2.25	422.00	400.00	484.00	333.00
December-10	432.00	429.25	2.75	437.25	415.50	703.00	343.25
March-11	445.50	441.25	4.25	450.00	429.50	480.00	356.75
May-11	453.00	447.50	5.50	455.75	438.00	477.75	366.50
July-11	459.25	453.25	6.00	461.50	444.50	667.00	375.25

CHICAGO SOYBEAN FUTURES (Cents/Bu.)

September-10	1013.00	1016.75	-3.75	1015.50	995.00	1059.50	817.50
November-10	1014.50	1012.25	2.25	1016.00	993.50	1332.00	812.00
January-11	1022.25	1019.25	3.00	1022.50	1001.50	1063.00	817.00
March-11	1026.00	1024.00	2.00	1026.00	1010.00	1067.00	822.00
May-11	1026.50	1025.50	1.00	1026.50	1008.00	1052.00	852.00
July-11	1034.00	1032.75	1.25	1034.00	1018.50	1570.00	822.00
August-11	1025.75	1024.75	1.00	1025.75	1010.50	1065.00	852.00

ON-CALL COTTON (Thousand Running Bales)

Contract	As of August 20, 2010			
	Call Sales	Week's Change	Call Purch.	Week's Change
October '10	568	-17	13	0
December '10	17,950	-337	4,743	39
March '11	25,441	359	823	110
May '11	15,292	797	215	10
July '11	22,290	1,853	1,518	301
October '11	420	0	1	0
December '11	6,561	0	2,198	152
March '12	1,186	14	26	0
May '12	723	41	50	0
July '12	397	53	157	0
December '12	345	79	3,074	0
March '13	216	0	0	0

CERTIFICATED STOCKS (Running Bales)

	As of August 26, 2010	
	Stocks	Review
Galveston	21	-
Greenville	3,494	-
Houston	-	-
Memphis	15,174	-
N. Orleans	1	-
TOTAL	18,690	-

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

	Week ending August 26, 2010	
	3135	4134
Spot Market	88.95	84.81
US Mill Del.	NQ	NQ

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

SPEC AND HEDGE REPORT (Contracts)

As of August 20, 2010

	Longs	Accounts	%	Shorts	Accounts	%
SPECS	98,404	1,556	46.6%	70,994	796	33.6%
HEDGES	112,757	304	53.4%	140,167	309	66.4%
TOTAL	211,161	1,860	100.0%	211,161	1,105	100.0%
Net Spec Position		13.0%		Spec Share of O.I.		40.1%

WORLD MARKET (Cents/Lb.)

Effective August 27 - September 2, '10

	Current
AWP	74.74
5 Lowest Far East Quotes	91.58
USFE Low Quote	92.95
USFE-5 Lowest Far East Quotes	1.37
Fine Count Adj ('09 Crop)	0.26
Fine Count Adj ('10 Crop)	0.36
Coarse Count Adj	0.00
Open Quotas	5
LDP	0.00
ELS Comp Pymnt	0.00

CHINA WEEKLY PRICES (cents/lb.)

Week ending August 26, 2010

	This Week	Year Ago	% Change
A (Far East)	92.23	62.76	47%
CnCotton A	123.67	n/a	n/a
Polyester	63.08	n/a	n/a

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

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

Week ending August 19, 2010

	Week	Total	Total	Week	Total
	10/11	10/11	09/10	11/12	11/12
Sales	500.8	6,869.0	2,928.5	1.9	172.6
Shipments	249.7	681.9	512.3	0.0	0.0

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

Country	10/11	09Share	11/12	10Share
CHINA	1,990	29%	2	1%
MEXICO	884	13%	71	41%
TURKEY	630	9%	0	0%
INDONESIA	497	7%	18	11%
THAILAND	448	7%	0	0%
KOREAN REPUBLIC	338	5%	11	7%
BRAZIL	327	5%	0	0%
VIETNAM	232	3%	0	0%
BANGLADESH	229	3%	21	12%
PAKISTAN	223	3%	0	0%
TOTAL	6,869		173	

Weighted MY Avg. Farm Price

09/10 Year-to-date (Aug - June)	62.10 cents*
09/10 proj.	62.50 cents**
10/11 proj.	61.00 - 75.00 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**
July	0.375%	1.375%
August	0.250%	1.250%

* Applies to 1995 and prior crop loans.

** Applies to 1996 and subsequent crop loans.

CCC LOAN STOCKS (Includes '09 & '10 Crop)

As of August 24, 2010			
	Form A	Form G	Total
Upland	(Running Bales)		
Southeast	55	216,619	216,674
Mid-South	5,800	95,774	101,574
Southwest	5,933	30,116	36,049
West	0	11,017	11,017
U.S.	11,788	353,526	365,314
ELS			
U.S.	274	1,116	1,390

STATE OF THE ECONOMY

Week ending August 26, 2010

	Thursday	Last	% Change
	Settlement	Thursday	YTD
Dow Jones Ind. Avg.	9,986	10,271	-4%
S&P 500	1,047	1,076	-6%
10-Yr Treas. Bond Rate	2.481%	2.576%	-35%
NASDAQ Composite	2,119	2,179	-7%
Russell 2000	600	611	-4%
Japanese Nikkei Stock Avg	8,906	9,363	-16%
Hong Kong Hang Seng	20,612	21,072	-6%
Singapore Straits Times	2,926	2,947	1%
Euro (in U.S.\$)	1.27	1.28	-11%
Japanese Yen (per U.S.\$)	84.41	85.32	-9%
WTx Int Crude Oil (\$/barrel)	73.36	74.43	-8%
Diesel, Ultra-low (\$/gal)	2.09	2.08	-2%
Natural Gas (\$/million btu)	3.81	4.27	-34%

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

	Estimates for August 2010			
	US		World	
	09/10	10/11p	09/10	10/11p
Beginning Stocks	6.3	3.1	60.5	47.6
Production	12.2	18.5	102.2	116.9
Imports	0.0	0.0	36.2	38.3
Total Supply	18.5	21.6	198.9	202.7
Mill Use	3.4	3.4	117.7	120.9
Exports	12.0	15.0	35.7	38.2
Total Use	15.4	18.4	153.4	159.1
Ending Stocks	3.1	3.2	47.6	45.6
Stocks/Use Ratio	20.1%	17.4%	40.4%	37.7%

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

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

	Jul 10	Jun 10
Daily (Thou.)	13.97	14.01
Annualized (Mil.)	3.61	3.55

US COTTONSEED SUPPLY AND DISAPPEARANCE

(000 Short Tons)

	Marketing Year	
	09/10	10/11
Beg. Stocks	514	425
Imports	24	0
Production	4,149	6,269
Total Supply	4,687	6,694
Crush	1,890	2,550
Exports	280	450
Other	2,092	3,144
Total Demand	4,262	6,144
End. Stocks	425	550

USDA-ERS August Oil Crops Outlook.

AUGUST US COTTON PRODUCTION ESTIMATE, 10/11 CROP

	Planted Acres (Thou.)	Harv. Acres (Thou.)	Yield per Harv. Acre (Lb.)	5-Year Avg. Yield (Lb.)	480-Lb. Bales (Thou.)
UPLAND					
SOUTHEAST	2,525	2,501	795	792	4,144
Alabama	370	365	677	653	515
Florida	90	87	800	771	145
Georgia	1,250	1,240	852	840	2,200
North Carolina	570	565	756	814	890
South Carolina	175	174	800	721	290
Virginia	70	70	713	879	104
MID-SOUTH	1,880	1,848	956	915	3,680
Arkansas	530	520	1,062	1,011	1,150
Louisiana	230	225	832	872	390
Mississippi	420	410	937	859	800
Missouri	300	298	983	976	610
Tennessee	400	395	887	822	730
SOUTHWEST	5,950	5,736	769	715	9,192
Kansas	40	36	693	602	52
Oklahoma	210	200	816	731	340
Texas	5,700	5,500	768	716	8,800
WEST	345	339	1,444	1,350	1,020
Arizona	185	183	1,469	1,410	560
California	125	124	1,490	1,363	385
New Mexico	35	32	1,125	1,026	75
TOTAL UPLAND	10,700	10,424	831	816	18,036
TOTAL ELS	209	207	1,154	1,245	498
Arizona	3	3	960	891	5
California	185	184	1,174	1,310	450
New Mexico	3	3	928	825	6
Texas	18	18	1,015	821	37
ALL COTTON	10,909	10,631	837	826	18,534

Source: USDA-NASS August Crop Production Report.

US COTTONSEED MEAL SUPPLY AND DISAPPEARANCE

(000 Short Tons)

	Marketing Year	
	09/10	10/11
Beg. Stocks	17	50
Imports	0	0
Production	905	1,150
Total Supply	922	1,200
Consumption	792	1,050
Exports	80	100
Total Demand	872	1,150
End. Stocks	50	50

USDA-ERS August 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	630	815
Total Supply	751	925
Domestic Consumption	536	675
Exports	105	150
Total Demand	641	825
End. Stocks	110	100

USDA-ERS August Oil Crops Outlook.

US CROP PROGRESS

PERCENT SETTING BOLLS

PERCENT BOLLS OPENING

	8/22/10	8/15/10	8/22/09	5-Yr Avg	8/22/10	8/15/10	8/22/09	5-Yr Avg
Alabama	85	79	81	89	36	23	3	16
Arizona	95	85	98	98	30	27	41	38
Arkansas	100	100	100	100	31	17	8	18
California	90	88	97	95	10	9	17	16
Georgia	98	97	96	97	29	20	4	10
Kansas	91	80	83	88	10	2	5	3
Louisiana	100	99	100	100	69	42	43	40
Mississippi	100	100	100	100	50	28	7	24
Missouri	100	100	96	98	14	6	0	10
North Carolina	98	97	97	97	25	6	6	6
Oklahoma	96	90	81	84	10	0	0	4
South Carolina	86	70	87	88	8	2	4	6
Tennessee	99	97	97	99	28	7	2	10
Texas	91	87	84	84	14	13	15	17
Virginia	91	74	98	99	4	1	18	26
US	94	90	89	90	21	14	12	16
Southeast	95	92	93	95	27	15	5	10
Mid-South	100	99	99	99	37	19	10	19
Southwest	91	87	84	84	14	12	14	16
West	92	87	97	96	18	16	26	24

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

* Revised.

US CROP CONDITION

	Week Ending 8/22/10				
	VP	P	F	G	E
Alabama	8	18	38	31	5
Arizona	0	0	1	65	34
Arkansas	1	5	33	41	20
California	0	0	10	55	35
Georgia	10	20	31	29	10
Kansas	1	6	34	54	5
Louisiana	2	5	30	57	6
Mississippi	4	10	28	46	12
Missouri	12	25	21	37	5
North Carolina	4	16	36	40	4
Oklahoma	0	1	22	75	2
South Carolina	1	11	29	50	9
Tennessee	1	3	25	57	14
Texas	2	5	26	48	19
Virginia	8	27	45	20	0
US	3	8	27	46	16
Previous Week	3	8	27	46	16
Previous Year	8	11	29	40	12