



Cotton Market Report



Week Ending: Jul. 8, 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
--	--------------	-------------------	---------------	-------------	------------	-----------------------	----------------------

NEW YORK COTTON FUTURES (Cents/lb.)

October-10	77.29	79.10	-1.81	79.52	76.52	101.92	52.69
December-10	73.99	76.45	-2.46	76.87	73.55	101.72	53.51
March-11	75.17	77.73	-2.56	77.90	74.74	103.30	57.57
May-11	75.60	78.24	-2.64	77.49	75.60	96.52	50.02
July-11	75.77	78.53	-2.76	77.55	75.50	94.96	58.57
October-11	73.62	76.27	-2.65	75.17	73.62	81.42	59.70
December-11	72.28	74.52	-2.24	73.52	72.00	81.28	61.07
March-12	73.58	75.73	-2.15	74.73	73.58	102.03	56.32
May-12	73.18	74.93	-1.75	73.93	72.91	83.53	72.26

CHICAGO CORN FUTURES (Cents/Bu.)

September-10	385.50	373.25	12.25	386.00	368.00	484.00	333.00
December-10	396.25	384.50	11.75	397.25	379.25	703.00	343.25
March-11	408.00	396.75	11.25	408.25	391.75	480.00	356.75
May-11	415.75	404.75	11.00	415.75	399.75	477.75	366.50
July-11	423.25	412.50	10.75	423.25	407.00	667.00	375.25

CHICAGO SOYBEAN FUTURES (Cents/Bu.)

August-10	983.00	937.00	46.00	992.00	938.00	1075.00	817.50
September-10	957.50	915.50	42.00	963.00	912.00	1059.50	817.50
November-10	946.00	905.50	40.50	955.00	899.50	1332.00	812.00
January-11	954.75	915.00	39.75	960.00	908.50	1063.00	817.00
March-11	958.00	920.75	37.25	964.00	916.00	1067.00	822.00
May-11	958.50	923.75	34.75	963.00	919.00	1021.50	852.00
July-11	966.75	933.00	33.75	966.75	927.75	1570.00	822.00

ON-CALL COTTON (Thousand Running Bales)

As of July 2, 2010

Contract	As of July 2, 2010		As of July 8, 2010	
	Call Sales	Week's Change	Call Purch.	Week's Change
July '10	242	0	19	0
October '10	1,121	-144	13	0
December '10	17,263	-628	7,570	75
March '11	15,792	1,208	587	-59
May '11	9,981	589	74	-20
July '11	14,712	1,460	720	-88
October '11	493	0	0	0
December '11	6,398	69	1,682	44
March '12	1,172	0	23	-68
May '12	728	0	99	0
July '12	313	0	88	88
December '12	235	0	3,015	-42
March '13	185	0	0	0

CERTIFICATED STOCKS (Running Bales)

As of July 8, 2010

	Stocks	Review
Galveston	24,902	-
Greenville	63,274	-
Houston	156	-
Memphis	141,526	-
N. Orleans	1	-
TOTAL	229,859	-

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

Week ending July 8, 2010

	3135	4134
Spot Market	79.06	74.91
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 2, 2010

	Longs	Accounts	%	Shorts	Accounts	%
SPECS	70,284	1,084	43.5%	65,365	928	40.5%
HEDGES	91,268	278	56.5%	96,187	281	59.5%
TOTAL	161,552	1,362	100.0%	161,552	1,209	100.0%

Net Spec Position	3.0%	Spec Share of O.I.	42.0%
-------------------	------	--------------------	-------

WORLD MARKET (Cents/Lb.)

Effective July 9 - July 15, '10

	Current	Forward
AWP	66.61	NA
5 Lowest Far East Quotes	NA	83.65
USFE Low Quote	NA	85.20
USFE-5 Lowest Far East Quotes	NA	1.55
Fine Count Adj ('09 Crop)	0.40	NA
Fine Count Adj ('10 Crop)	0.50	NA
Coarse Count Adj	0.00	NA
Open Quotas	5	NA
LDP	0.00	NA
ELS Comp Pymnt	0.00	NA

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

Week ending July 1, 2010

	Week	Total	Total	Week	Total
	09/10	09/10	08/09	10/11	10/11
Sales	122.4	13,724.4	14,129.1	291.2	2,751.6
Shipments	368.3	10,876.1	12,127.1	0.0	0.0

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

Country	09/10	09Share	10/11	10Share
CHINA	4,485	33%	618	22%
TURKEY	2,378	17%	261	9%
MEXICO	1,660	12%	446	16%
INDONESIA	640	5%	258	9%
THAILAND	629	5%	147	5%
VIETNAM	576	4%	136	5%
TAIWAN	469	3%	32	1%
KOREAN REPUBLIC	448	3%	232	8%
BANGLADESH	390	3%	70	3%
PERU	331	2%	66	2%
TOTAL	13,724		2,752	

CHINA WEEKLY PRICES (cents/lb.)

Week ending July 8, 2010

	This Week*	Year Ago	% Change
A (Far East)	84.36	64.03	32%
CnCotton A	125.41	87.65	43%
Polyester	64.01	55.61	15%

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 June 30, 2010		
	Form A	Form G	Total
Upland			
Southeast	1,819	527,055	528,874
Mid-South	62,827	253,565	316,392
Southwest	18,095	97,335	115,430
West	686	42,496	43,182
U.S.	83,427	920,451	1,003,878
ELS			
U.S.	576	5,475	6,051

STATE OF THE ECONOMY

Week ending July 8, 2010

	Thursday	Last	% Change
	Settlement	Thursday	YTD
Dow Jones Ind. Avg.	10,139	9,733	-3%
S&P 500	1,070	1,027	-4%
10-Yr Treas. Bond Rate	3.033%	2.947%	-21%
NASDAQ Composite	2,175	2,101	-4%
Russell 2000	620	605	-1%
Japanese Nikkei Stock Avg	9,536	9,192	-10%
Hong Kong Hang Seng	20,051	20,129	-8%
Singapore Straits Times	2,897	2,820	0%
Euro (in U.S.\$)	1.27	1.25	-11%
Japanese Yen (per U.S.\$)	88.39	87.59	-5%
WTx Int Crude Oil (\$/barrel)	75.44	72.95	-5%
Diesel, Ultra-low (\$/gal)	2.07	1.97	-3%
Natural Gas (\$/million btu)	4.52	4.55	-22%

Week Ending: Jul. 8, 2010

Market Page 3.

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

U.S. MILL CONSUMPTION (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	51.0
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.

	May 10	Apr 10
Daily (Thou.)	14.24	13.53
Annualized (Mil.)	3.58	3.48

US COTTONSEED SUPPLY AND DISAPPEARANCE

(000 Short Tons)

	Marketing Year	
	09/10	10/11
Beg. Stocks	514	425
Imports	0	0
Production	4,149	5,610
Total Supply	4,663	6,035
Crush	1,850	2,150
Exports	270	400
Other	2,118	2,910
Total Demand	4,238	5,460
End. Stocks	425	575

USDA-ERS June Oil Crops Outlook.

U.S. COTTON PLANTINGS, PRODUCTION, AND YIELD

	2009					Percent Change
	Production 480-lb. Bales (Thou.) 1/	2009 Yield per Harv. Acre (Lb.) 1/	2009 Actual Acreage (Thou.) 1/	2010 Estimated Plantings (Thou.) 2/		
UPLAND						
SOUTHEAST	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%	
MID-SOUTH	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%	
SOUTHWEST	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%	
WEST	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%	
TOTAL UPLAND	11,788	766	9,008	10,700	18.8%	
TOTAL ELS	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%	
ALL COTTON	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	880	970
Total Supply	897	1,020
Consumption	747	870
Exports	100	100
Total Demand	847	970
End. Stocks	50	50

USDA-ERS June 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	675
Total Supply	731	785
Domestic Consumption	516	550
Exports	105	150
Total Demand	621	700
End. Stocks	110	85

USDA-ERS June Oil Crops Outlook.

US CROP PROGRESS

PERCENT SQUARING

PERCENT SETTING BOLLS

	7/4/10	6/27/10	7/4/09	5-Yr Avg	7/4/10	6/27/10	7/4/09	5-Yr Avg
Alabama	56	46	62	57	14	2	8	10
Arizona	55	46	57	72	16	13	32	32
Arkansas	97	93	67	89	31	11	7	19
California	60	37	56	61	7	2	10	16
Georgia	70	54	54	62	21	9	9	15
Kansas	38	13	26	30	0	0	0	0
Louisiana	91	80	92	90	53	23	36	36
Mississippi	93	70	74	83	45	11	11	23
Missouri	66	59	49	67	16	3	0	12
North Carolina	85	69	75	74	10	4	16	3
Oklahoma	35	25	33	32	0	0	0	1
South Carolina	55	35	46	47	7	0	0	3
Tennessee	77	52	65	78	10	0	2	8
Texas	56	39	52	44	11	8	16	16
Virginia	36	14	37	44	16	4	0	2
US	64	48	56	55	15	8	13	15
Southeast	69	54	59	62	16	6	10	10
Mid-South	86	72	68	82	30	9	9	19
Southwest	55	38	51	43	11	8	15	15
West	58	40	56	65	10	6	18	22

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

* Revised.

US CROP CONDITION

	Week Ending			7/4/10	
	VP	P	F	G	E
Alabama	0	1	25	69	5
Arizona	0	2	27	45	26
Arkansas	0	3	25	40	32
California	0	0	30	55	15
Georgia	1	10	24	50	15
Kansas	0	2	30	57	11
Louisiana	1	14	27	52	6
Mississippi	0	5	27	50	18
Missouri	3	14	26	54	3
North Carolina	5	11	31	46	7
Oklahoma	0	1	15	77	7
South Carolina	0	4	38	52	6
Tennessee	0	1	19	67	13
Texas	2	7	27	51	13
Virginia	0	0	41	59	0
US	2	7	26	52	13
Previous Week	1	5	32	49	13
Previous Year	7	16	35	34	8