



WEEKLY COTTON REPORT

1 June 2012

Hail fall ruined the ideal status of our new crop.

© Crop News: In the last ten days we have experienced in several areas of Greece hail falls that harmed many crops. Especially in parts of Larisa (Thessaly area maybe 2,000 hectares) where the production of cotton is very strong many fields suffered by the hail. Traditionally within May the weather is more stormy than usual and sometimes hail falls may occur. The bad thing is that in this season hail hit one of the best cotton areas of Greece.

© Anyhow, growers are appraising the damage and in many cases they have already started replanting. This will definitely bring some delay on the specific fields while also the production cost will be increased, but it is the only way that growers will get a decent production. Apart from that, it is estimated that the new crop acreage has declined from previous season by about 12% (most probably total acreage will be 245,000 he). This reduction is justified by the falling lint prices, the increased cost of production and the bad sentiment of growers caused by the low yields for a second year in a row (green worm).

© Business News: In the last two weeks few new sales of new crop have been concluded. Following market collapse ginners tried to get better basis and offered bit higher. Finally very few merchants paid levels higher than the 'even' Dec for a typical HVI 41. It is estimated that about 18,000 tons have been sold so far which historically is a rather low figure for this month of the season. Of course we should bear in mind that very few ginners are able of selling forward so it is obvious that on call new sales will be less this season.

Kind regards
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