



## WEEKLY COTTON REPORT

As of 26 October 2007

### Lack of offers in our market, as ginner's are focused on seed cotton purchases

© There are not many things to report for this week. Ginner's are aiming to buy as much cotton as possible while growers are asking for very high prices to sell their seed cotton. As a result the cost of production is once again on the high side, especially this season that ginner's are trying to promote cotton cultivation and secure cotton acreage. The good news is that growers who have not been taking good care of their fields, in order to just receive the coupled subsidy, have strongly regretted. Harvesting is still in progress in some areas of Macedonia and Levaldia as the latest rainfalls did not permit growers to enter their fields. According to several sources these rains will slightly affect the raw cotton produced later on. However, have in mind that we are facing a season in which all qualities will be available, from middling (HVI 31 & 41-1) to SLM (HVI 41) and less HVI 51's in few areas.

© The levels paid to cotton growers seem to be competitive to other alternative crops. Many people believe though, that next season we will have a further reduction of cotton acreage as several farmers in Thrace and other N. Macedonia areas will plant corn, while others in Thessaly area will try wheat, due to irrigation problems. Quantity wise there is still uncertainty on this season's lint cotton volume. The pessimistic view influenced by the slow seed cotton deliveries and warehousing estimate 280-300,000 tons while the more optimistic stand on the 320,000 tons level based on real cotton acreage and average yields. The big question is that nobody can find out how many fields were seriously cultivated and how many were just cultivated on a low-cost way with very low yields.

© For the last ten days several Turkish intermediates have been traveling in Greece trying to buy some quantities. However, it seems that very limited quantities were sold, as the prices they were paying were not close to the ginner's asking levels. So far the committed quantity should be close to 30,000 tons (biggest percentage in merchants' hands) while last season we were at about 60-65,000 tons. At the same time some old crop stocks are being offered or sold in our market at levels of 145-147 c/kg FOT depending on quality.

Best regards,  
Yiannis Papadoyiannis



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