



WEEKLY COTTON REPORT

As of 28 September 2007

Seed cotton strong competition dominating in the market

⊙ As usual at this time of period, where harvesting has started and farmers deliver some of their seed cotton to ginning mills, there is intense competition among ginners referring prices paid to farmers. As explained in previous reports ginners are aiming to keep satisfied all cotton growers in order to secure cotton acreage for next season. So far the prices paid are about 50% higher compared to last season, thus it is obvious that ginner's cost will be very much increased in this new crop.

⊙ The quality of the new crop so far looks very promising. Some seed cotton quantities that have been ginned are in the range of HVI 31 CG with staple length of 1 1/8'' and strength above 28 gpt. The mic average this year is a bit higher, about 4.4, however this is probably due to the earlier and less mature harvested fields. In the following two weeks harvesting will be in full swing in all cotton growing areas so we will have a better idea of the new crop in terms of quality and quantity. The weather forecast indicates sunny days favorable for cotton picking. Regarding the volume of the new crop, taking into consideration that the ginning yield this season is a bit lower from last one, we estimate a crop of about 340-350,000 tons of lint cotton.

⊙ Business wise, there are not many things to report, apart from some very small quantities at prices of 69 c/lb FOT. Ginners are focused on seed cotton prices and do not proceed into new sales unless they get real good levels. International merchants are paying levels of 69 c/lb though without any serious feedback from ginners, who would be more interested in levels of 'even' March 08 for the average quality.

Best regards,
Yiannis Papadoyiannis



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