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Cotton Market Update, August, 2002
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Cotton production is forecast at 18.4 million bales, down 9 percent from last year's record production. Yield is reported at 675 pounds, down 30 pounds from 2001. Lower production, due to lower acreages and yields, is partially offset by less abandonment. Upland cotton production is forecast at 17.8 million bales, also 9 percent below 2001. Upland cotton harvested area, at 12.8 million acres, is 5 percent less than a year ago.

The August U.S. outlook for 2002/03 included increased cotton production, exports, and mill use. The production forecast was 5 percent above last month's projection. Exports estimates were increased 400,000 bales to 11.2 million bales due to the larger U.S. crop, lower foreign production, and higher foreign consumption. Mill use forecast was increased slightly to 7.9 million bales. U.S. ending stocks estimates were raised 6 percent from last month.

This month's 2002/03 world supply and demand projections had lower production and higher consumption and trade. India's production was lowered 9 percent this month due to economic factors as well as an unfavorable monsoon. Reduced production in India, Australia, the African Franc Zone, and Syria was partly offset by increases for the United States and Uzbekistan. World consumption was raised 0.6 percent from last month as increases for China, Turkey, Thailand, the United States, and Uzbekistan were partially offset by reductions for Brazil and Hong Kong. The higher consumption forecasts for China and Turkey reflected higher use levels in 2001/02. Increases in world trade resulted mainly from lower production in India and higher consumption in Turkey. World stocks were reduced 3.5 percent.

Cotton: Area Harvested, Yield, and Production
 2000-2001 and Forecasted August 1, 2002

	Area Harvested		Yield		Production 1/		
State	2001	2002	2001	2002	2000	2001	2002

	:--- 1,000 Acres --		--- Pounds ---		----- 1,000 Bales 2/ -----		
Upland :							
AL :	605.0	585.0	730	665	543.0	920.0	810.0
US :	13,559.5	12,849.0	694	663	16,799.2	19,602.4	17,750.0

Cotton development progressed near normal during July, with 94 percent of the acreage at or beyond the squaring stage and 73 percent setting bolls by July 28. Above-normal temperatures promoted rapid biological development in the Southeast, Southwest, and lower Mississippi Valley, while below-normal temperatures limited biological development through much of the southern Great Plains. Despite rapid advancement during July, development remained mostly behind normal in the interior Mississippi Valley. Meanwhile, biological development progressed ahead of normal in most areas of the Southeast, with fields squaring and setting bolls much earlier than normal in Georgia, North Carolina, and Virginia. In the Southwest, fields developed well ahead of normal in Arizona and slightly ahead of normal in California. Frequent afternoon thunderstorms provided adequate moisture for development through much of the Southeast, although parts of the Atlantic Coastal Plain remained unfavorably dry. In Texas, some fields suffered due to excessive rainfall. Near the end of the month, producers along the Gulf Coast applied defoliant and picked mature fields.

Cotton farmers in the Southeastern States (Alabama, Florida, Georgia, North Carolina, South Carolina, and Virginia) rated the condition of the cotton as mostly fair to good. Development has been ahead of average, especially in Georgia, North Carolina, and Virginia. Ideal planting conditions allowed growers to plant early. Abnormally dry, hot summer weather, however, has stressed the crop across Virginia and the Carolinas.

Upland growers in the Delta States (Arkansas, Louisiana, Mississippi, Missouri, and Tennessee) experienced unseasonably cool temperatures during May and delayed planting well into June, primarily in Tennessee. Farther south, producers had ideal planting weather until early May when rain delayed planting for a couple of weeks. June had above normal temperatures that allowed cotton development to catch up to near average levels. Cooler temperatures and rain boosted crop condition in early July.

Upland cotton producers in Texas and Oklahoma were able to plant most of their cotton at near normal pace. Lack of precipitation on the High Plains delayed some seeding due to excessively dry fields. Hot, dry conditions prevailed throughout June and July. Irrigated fields responded well to the weather, but non-irrigated acres wilted and some stands were abandoned or replanted to alternative crops. Hail storms also wiped out limited acreage in the High Plains.

Upland cotton planting in California and Arizona progressed ahead of average and wrapped up by the later part of May. Excellent growing conditions allowed the crop to develop ahead of average, especially in Arizona. Producers have rated their cotton crop in mostly good to excellent condition throughout the season.

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