

# TIMELY INFORMATION

## Agriculture & Natural Resources

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August Crop Report

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The long-awaited August Crop Report from USDA was released this morning, and the numbers were a mixed bag. On the plus side, the '07 crop estimate came in at the low end of the expected range, at

	Corn '06-'07	Beans '06-'07	Peanuts '06-'07	Cotton '06-'07
Alabama	72- 65	20-26	2500-2300	579-652
Georgia	112-115	25-30	2750-2800	818-792
Louisiana	140-150	35-37		946-946
Mississippi	110-125	26-39	3000-3100	829-960
North Carolina	132-94	32-27	3200-3000	713-862
South Carolina	110-100	29-26	3100-3100	697-650
Tennessee	125-95	39-33		945-869

17.35 million bales. Just last week most experts were predicting a number much closer to 18 million. On the other hand, World Carryover was raised by 740,000 bales, and China imports were also lowered. One thing of interest to me is that the drought of 2007 is not reflected in the numbers to the extent that I expected. In the table the yield from last year is compared to this year. For Alabama, the '07 yields are lower, but not as low as I

would expect. If anything, the stats show the localized nature of the drought, with the impact on the other southeastern states much less. You can access the complete report at the USDA website at <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1046> At any rate, the market opened higher but is trading lower at this time, probably on concerns about the stock market. The Dow is about 300 points below where it was yesterday and the experts say it is based on the mortgage crisis. It would probably take a much more bullish report to make the market move appreciably higher at this time of year anyway.

### Cotton Market Peaks

As noted above, the last couple of days have been tough. Cotton gapped down on Thursday and is trading lower today. Perhaps the best thing that can be said is that it is not the meltdown that it could be. Corn and soybeans are showing some strength and perhaps they are providing some indirect support for cotton, time will tell. At any rate, right now does not seem to be the time to sell cotton.



### Drought in Alabama

If you can believe the statistics cited above, perhaps the drought is over, but don't tell that to the farmers in much of Alabama, as the drought continues unabated in much of the state. I have had reports from different areas, and I talked to Charlie Burmester from the Tennessee Valley region yesterday afternoon and he had a much more positive attitude about the crop than I expected. He said that the cotton is coming along nicely and perhaps making up some lost ground. In Southwest Alabama, the crop is looking pretty good and there has been some progress in the Wiregrass. Elsewhere the crop is very, very late and still in dire peril. If you want to check on the drought, one good website is from the Office of the State Climatologist:

<http://nsstc.uah.edu/aosc/palmer.htm> West Georgia is also in severe or extreme drought. We are still in need of a good state-wide rain event lasting several days.