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COTTONSEED MARKET: IEG Vantage's forecast is for cottonseed prices to remain mostly rangebound nearby with mixed regional eccentricities. While significantly more ginning has taken place year to date in 2019 compared with the last three years, the focus has been on how much remains to be ginned and for how much longer the gins will be running. The biggest upside price risk continues to be found in West Texas, where prices have strengthened and spreads have widened between seed there and the Mid South / Southeast. The less expensive seed from West Texas that was working into Arizona earlier in the year dried up once seed yields were noticeably lower. Export demand in the South Georgia market has been weak or unnoticed, and prices in North Carolina have remained stable. If yield issues persist in West Texas prices are forecast to strengthen, there is little downside to the market there currently. If Southeastern sellers can find freight expect those near-record spreads from Georgia/North Carolina to the Mid South to West Texas to narrow.

Most of November remained fairly quiet until the week prior to Thanksgiving, when prices began firming in West Texas and some strength earlier was found in California. Tepid trading remained in some markets, with Memphis North remaining barely thin enough for a few quotes. Cotton harvest is slightly ahead of average for the week ending December 1, with USDA reporting 83 percent has been picked, compared with 78 percent last year and the five-year moving average of 81 percent. Cotton harvest was behind only marginally in Arkansas, Tennessee, and Virginia. The November 25 *Cotton Ginnings* report continued to have 2019 ginnings markedly ahead of 2016-18. USDA will release another *Cotton Ginnings* report on December 10 along with *Crop Production* at 12:00pm EST. As far as the seed trade, Memphis North was thin throughout November with prices reported between \$180 and \$185. West of River for spot was offered from \$170 to \$185 for the month. South Georgia showed little change the last few weeks, trading as low as \$135 / ton and offered as high as \$145. North Carolina traded slightly higher, in the low \$140s for the last few weeks, but it was mostly offered the same as South Georgia. While West Texas spot trucks traded as low as \$235 per ton early in the month, the last trading week before Thanksgiving experienced strengthening into the \$260s. Corc North spot fuzzy was offered from \$315 to 345 and. Arizona spot was offered mostly between \$290 to \$300.

New crop North Carolina seed is unchanged from the *November Forecaster*, hovering around \$150 per ton. West Texas spot trading at \$260 is on the upper edge of last month's forecast, and the rest of the month was within IEG Vantage's forecasted range. IEG Vantage's forecasted range for November was between \$160 and \$190 in the Mid South, where the projected range held but the Boot Heel put upward pressure on those numbers. The Mid-South forecast by IEG Vantage was in-line for West of River. California new crop Corc North and Arizona both traded spot in-line with forecasts.

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COTTONSEED BALANCE SHEET: IEG Vantage adopted USDA's 2019/20 forecast for cottonseed supply and demand released November 13. Beginning stocks forecast was unchanged for the crop year beginning August 1 at 477 thousand tons. USDA forecasts production down to 6.5 million tons, a decrease of four percent from 6.8 million tons last month, but still 15 percent higher than 2018/19 production and marginally above 2017/18. IEG Vantage USDA's cotton production forecast at 20.8 million bales, which is 888,000 below USDA's October forecast. The all-cotton yield is forecast at 799 pounds per acre, down 34 pounds from USDA's October forecast. The major change was in Texas where the yield fell from 624 pounds per acre to 568 pounds per acre, putting the Texas crop 700,000 bales smaller than USDA's October report, which was forecast at 7.82 million. If realized, that yield would be the lowest in Texas since the 2015/16 crop year, 188 pounds less than last year and down almost 150 pounds from the five-year average. Arkansas increased 70,000 bales and South Carolina increased 30,000, making up a slight portion of the losses in Texas. Though down modestly from the USDA October report, production still is 2.45 million bales larger than last year. IEG Vantage's December cotton production forecast has not yet been released.

US export sales for the week ending November 21 were better than many expected at a net 290,700 (281,500 Upland, 9,200 Pima) bales. For current crop, there were 388,200 (379,000 Upland, 9,200 Pima) bales in new sales and 37,500 upland bales canceled. Mexico 67,500 and China 29,900 were the two countries to cancel. New crop realized 23,800 bales of upland cotton sold. The best net buyers for US cotton were Vietnam 74,500 (73,600 Upland, 900 Pima), Turkey 69,400 (67,800 Upland, 1,600 Pima), Bangladesh at 46,400 upland, and Pakistan at 39,900 upland. Exports totaled 195,600 (184,400 Upland, 11,200 Pima) bales. Commitments are now six percent higher than last year compared with five percent higher the previous week and exports are now 17 percent ahead of last year and 40 percent ahead of the five-year average.

Cottonseed Supply & Demand (1,000 tons)			USDA	IEG	USDA	IEG
Year begins August 1	2016/17	2017/18	2018/19	2018/19	2019/20	2019/20
Beginning Stocks	391	400	451	451	477	477
Imports	51	0	1	1	2	2
Production	5,369	6,422	5,631	5,631	6,453	6,453
Total Supply	5,811	6,822	6,083	6,083	6,932	6,932
Crush	1,769	1,854	1,760	1,760	1,850	1,850
Exports	342	478	387	387	450	450
Feed, Seed, & Residual	3,300	4,039	3,458	3,458	4,200	4,200
Total Disappearance	5,411	6,371	5,605	5,605	6,500	6,500
Ending Stocks	400	451	477	477	432	432

Products Derived from 2000 lbs. of cottonseed have the following product values*

Cottonseed Meal	\$ 100.65	36.9%	Total Product Value	\$ 272.68
Cottonseed Oil (PBSY)	\$ 106.75	39.1%	Average Milling Costs	\$ (62.00)
Linters 1st & 2nd cuts	\$ 26.08	9.6%	Freight from Gin	\$ (14.00)
Cottonseed Hulls	\$ 39.20	14.4%	WCS Net Product Value	\$ 196.68
Total Product Value	\$ 272.68		Previous Issue's Value	\$ 196.68

Cottonseed fob points						
		Bid	Offer	Trade	Change	Yr Ago
Southeast		(\$/ton)				
North Carolina	Spot	140	145		-2o	130o
	Nv-Dc	140	145		-5o	130o
	Ja-Ag	175	180		n/a	155o
South Georgia	Spot	140	145		n/a	152t
	Ja-Ag			175	15t	n/a
Mid-South		(\$/ton)				
Memphis North	Spot		188		n/a	159o
	Nv-Dc	175	188		n/a	159o
Missouri Bootheel	Spot	180	186	185	2t	168o
	Nv-Dc	180	186	185	unc	168o
Northeast Arkansas	Spot	183	183	178	5o	165o
Southwest		(\$/ton)				
West Texas - Lubbock North	Spot			235-245	n/a	215o
	Nv-Dc			225-245	n/a	215o
	Ja-Sp			255	n/a	n/a
Far West		(\$/ton)				
Arizona	Spot		300-305	289-290	2o	275o
	Nv-Dc		285-290		-2o	275o
	Nv-Ja		300		n/a	n/a
California Corc. No.	Spot			325	-20t	310o
Pima California	Nv-Dc			272	n/a	n/a

b = bid o = offer t = trade n/a = not available

Processed Cottonseed Products						
		Bid	Offer	Trade	Change	Yr Ago
Mid-South		Meal (\$/ton)				Hulls
Memphis	Spot		220		n/a	225o
					n/a	n/a
Southwest		Meal (\$/ton)				Hulls
West Texas	Nov		250		n/a	n/a
	Dc-Mr		255		n/a	190o
Far West		Meal (\$/ton)				Hulls
California	Ja-Jn	266	275		n/a	275o
					n/a	n/a
Cottonseed Meal Basis vs. Wednesday's CBOT SoyMeal						
		SBM	CSM	BASIS	Change	Yr Ago
Mid-South		n/a	n/a	n/a	n/a	n/a
Southwest		298.9	250	-48.9	10	2

b = bid o = offer t = trade n/a = not available

Cottonseed dlvd. points					
		Truck	Rail	Change	Yr Ago
Rail - fob track points		(\$/ton)			
California - Rail	Spot		296b	n/a	n/a
Idaho - Rail UP	Nv-Dc		292o	n/a	n/a

b = bid o = offer t = trade n/a = not available

U.S. Cottonseed Spread Chart - Nearby Price						
	AZ	CA	So. GA	W. TN	W. TX	NC
AZ	***	25	-155	-112	-60	-155
CA	-25	***	-180	-137	-85	-180
So. GA	155	180	***	43	95	0
W. TN	112	137	-43	***	52	-43
W. TX	60	85	-95	-52	***	-95
NC	155	180	0	43	95	***

Running Bales Ginned by Crop – States and United States: November 15, 2016-2019

[Excluding linters]

Crop and State	Running bales ginned			
	2016 Crop	2017 Crop	2018 Crop	2019 Crop
	November 15, 2016	November 15, 2017	November 15, 2018	November 15, 2019
	(number)	(number)	(number)	(number)
Upland				
Alabama	386,800	274,850	347,650	492,250
Arizona	117,350	103,250	53,000	(D)
Arkansas	690,750	641,500	780,750	779,700
California	94,900	87,050	57,900	69,450
Florida	58,800	(D)	24,400	64,450
Georgia	1,062,250	870,500	700,250	1,295,900
Kansas	(D)	8,950	5,500	15,550
Louisiana	258,400	315,200	291,450	359,750
Mississippi	711,350	724,800	796,200	827,900
Missouri	469,650	392,750	482,950	396,600
New Mexico	7,750	(D)	4,450	(D)
North Carolina	204,000	341,300	364,700	569,750
Oklahoma	120,600	99,950	58,150	116,450
South Carolina	104,850	161,750	138,600	210,500
Tennessee	437,150	404,750	499,700	510,650
Texas	(D)	(D)	2,197,400	3,249,800
Virginia	47,400	69,550	86,000	102,850
United States	7,389,350	7,674,750	6,889,050	9,142,850
American Pima				
Arizona	4,500	6,200	7,050	(D)
California	180,750	191,500	182,900	162,350
New Mexico	(D)	(D)	1,200	(D)
Texas	(D)	(D)	2,600	4,500
United States	194,800	203,350	193,750	169,500
All				
Alabama	386,800	274,850	347,650	492,250
Arizona	121,850	109,450	60,050	(D)
Arkansas	690,750	641,500	780,750	779,700
California	275,650	278,550	240,800	231,800
Florida	58,800	(D)	24,400	64,450
Georgia	1,062,250	870,500	700,250	1,295,900
Kansas	(D)	8,950	5,500	15,550
Louisiana	258,400	315,200	291,450	359,750
Mississippi	711,350	724,800	796,200	827,900
Missouri	469,650	392,750	482,950	396,600
New Mexico	(D)	(D)	5,650	(D)
North Carolina	204,000	341,300	364,700	569,750
Oklahoma	120,600	99,950	58,150	116,450
South Carolina	104,850	161,750	138,600	210,500
Tennessee	437,150	404,750	499,700	510,650
Texas	2,613,700	3,140,850	2,200,000	3,254,300
Virginia	47,400	69,550	86,000	102,850
United States	7,584,150	7,878,100	7,082,800	9,312,350

(D) Withheld to avoid disclosing data for individual operations.

COTTONSEED DAIRY BUYER PROFILES**GROUP 1:** Base demand group that will formulate cottonseed in at a 4-6 lb. inclusion rate regardless of price.**GROUP 2:** Formulates at a 2-3 lb. inclusion rate regardless of price, and would like to feed at the 4-6 lb. level. However, the last 2-4 lb. is price sensitive.**GROUP 3:** This is the major swing factor for cottonseed demand. They enter the market when the price is right or other factors prevail (i.e. short hay supplies), and will subsequently exit when other opportunities exist.**GROUP 4:** This group does not have access to, or the ability to incorporate whole cottonseed into their rations. However over time, dairy men in this group will migrate up into Groups 1, 2 or 3.

Cottonseed Intelligence Monthly is published monthly. Phone: 901-766-4511. E-mail: stevan.novakovic@ihsmarkit.com. Every effort has been made to assure the accuracy of the information and market data which is provided in this publication as a compilation for the use of its readers. Information has been obtained by IEG Vantage from sources believed to be reliable. However, because of the possibility of human or mechanical error, IEG Vantage does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Published by IEG Vantage, 949 S Shady Grove Rd, Suite 103, Memphis, TN 38120.

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