



USDA, AMS, Cotton and Tobacco Programs
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Weekly Cotton Market Review

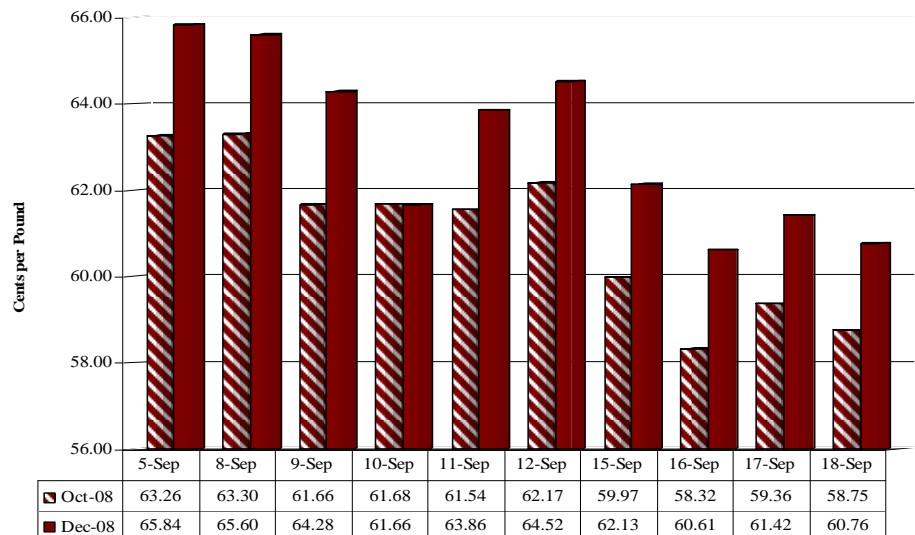
Spot cotton quotations averaged 180 points lower than the previous week, according to the USDA, Agricultural Marketing Service's Cotton Program. Quotations for the base quality of cotton (color 41, leaf 4, staple 34, mike 35-36 and 43-49, strength 26.5-28.4, uniformity 81) in the seven designated markets averaged 55.36 cents per pound for the week ended Thursday, September 18. The weekly average was down from 57.16 cents reported last week and 57.81 cents reported the corresponding period a year ago. Daily average quotations ranged from a high of 57.41 cents on Friday, September 12 to a low of 53.66 cents on Tuesday, September 16. Spot transactions reported in the *Daily Spot Cotton Quotations* for the week ended September 18 totaled 21,122 bales compared with 16,811 last week and 62,761 a year ago. Total spot transactions for the season were 127,805 bales compared to 201,551 bales the corresponding week a year ago. The ICE December futures settlement prices ended the week at 60.76 cents compared to 63.86 cents reported last week. October futures settlement prices ended the week at 58.75 cents compared to 61.54 cents reported last

Prices are in effect from September 19-25, 2008

Adjustment World Price (AWP) 55.79 Loan Deficiency Payment (LDP) 0.00
 ELS Competitiveness Payment 0.00 Coarse Count Adjustment (CCA) 0.00

Source: Farm Service Agency, FSA, USDA

October/December 2008
 Futures Settlement Prices



Source: USDA, AMS, Cotton Program

Regional Summaries

Southeastern Markets

Spot cotton trading was slow. Producer offerings were light. Average local prices were lower.

Seasonably cooler temperatures prevailed late in the period with daytime temperatures in the high 70s. Scattered showers brought around one-quarter to one-half of an inch of precipitation to portions of North Carolina and coastal South Carolina. Harvesting had begun on earlier-planted dryland acreage throughout the Southeast. Defoliation was underway throughout the region and harvesting activities were expected to expand over the next two weeks. Some gins had received modules and a few had processed a small amount of cottonseed from dryland acreage. Insect pressure was building in later-planted cotton. Producers applied pesticides to combat stinkbugs, plant bugs, and soybean loopers in some areas.

South Central Markets

Spot cotton trading was slow. Available supplies were light. Demand was light. Average local spot prices were lower. Trading of CCC-loan equities was inactive. Inquiries from representatives of domestic and foreign mills were moderate. No sales were reported.

Crop damage from Hurricane Gustav was being assessed in the South Delta, particularly in the hardest hit areas in Louisiana. The full impact of the hurricane could take weeks to determine. Hurricane Ike brought another eight inches of rain to the Bootheel of Missouri, adding to the problems in the South Delta. Accumulations throughout North and South Delta ranged from two to eight inches, resulting in flooding of some low-lying roads and fields in Louisiana. The overall condition of the crop deteriorated significantly over the past two weeks. Boll rot and boll lock were extensive in Louisiana and parts of southern Arkansas. Producers throughout the region were able to resume defoliation on earlier-planted fields near the end of the reporting period. Some cotton had been harvested in areas where sufficient drying had occurred. Most of the crop continued to lag behind the five-year average for boll opening. A period of warm, dry weather was needed for normal crop development.

Southwestern Markets

Spot cotton trading was slow in the East Texas/Oklahoma and West Texas markets. Trading of CCC-loan equities was inactive in the east Texas/Oklahoma and west Texas markets. New-crop supplies from southern regions of Texas increased. Demand remained light. Average local spot prices for east Texas/Oklahoma and west Texas were lower. No domestic or export mill inquiries were reported.

East Texas/Oklahoma

The *Rio Grande Valley* received over three and one-quarter inches of rain early in the period. Only isolated fields remained to be harvested in the *Coastal Bend* area. Rainfall totals earlier in the period were around three-quarters of an inch. In the *Upper Coastal Bend*, rainfall totals from Hurricane Ike ranged from one and one-half to around two inches. Reports indicated that millions of people had no power in homes and businesses and that it could be several weeks before power was fully restored. Cotton-growing regions of *Kansas* received three and one-half to eleven inches in the southern areas of the state. Crop progress in *Oklahoma* was slightly late and more heat units were needed to advance the crop. Rainfall totals were a trace to one-quarter of an inch in the cotton-growing regions.

West Texas

Recent flooding, cooler-than-normal temperatures, and heavy rains in the *Lubbock* area slowed plant maturation. Plants were loaded with bolls and more heat units were urgently needed to advance the crop to full maturity and reduce boll shedding. Sunshine and warmer weather conditions (daytime temperatures above 80 degrees and nighttime temperatures above 50 degrees) were needed to advance the crop. The crop condition was mostly fair to good. Producers monitored fields for bollworms and aphid infestations and applied insecticides as needed.

Regional Summaries

Western Markets

Spot cotton trading was inactive in the *San Joaquin Valley* (SJV). Supplies and demand were light. Average local prices were lower. No forward contracting or domestic mill activity was reported. Foreign mill inquiries were light. Temperatures were in the high 80s. Harvesting was ready to begin in fields that had plants with open bottom bolls. Producers planned to defoliate earlier-planted fields in about a week but widespread defoliation is two to three weeks away.

Spot trading of Upland cotton was inactive in the *Desert Southwest* (DSW). Supplies of new-crop cotton were light. Demand was light. Average local prices were lower. No forward contracting or domestic mill activity was reported. Temperatures were in the mid 90s. Harvesting and ginning continued in Yuma, Arizona. Some defoliation activities began in the Mohave Valley area, but the central and eastern Arizona crop had about two weeks remaining in the growing season. New Mexico and El Paso, Texas areas reported temperatures in the mid 70s, with accumulations of approximately one-half of an inch of rainfall. The crop made good progress.

American Pima spot cotton trading was inactive. Supplies and demand were light. No forward contracting or domestic mill activity was reported. The crop made good progress.

Textile mill report. Buyers for domestic mills purchased a moderate volume of color 41, leaf 4, and staple 35 and longer for October/November delivery. Mill buyers inquired for a moderate volume of 2008-crop cotton, color 42, leaf 4, and staple 33 and 34 for December 2008 through July 2009 delivery. Increased finished product sales had improved demand for raw cotton. Most mills operated on a five-to-seven day schedule.

Inquiries through export channels were moderate. Agents for mills in Peru purchased a moderate volume of color 31, leaf 3, and staple 35 for October/November shipment. Demand was good throughout the Far East for any type of discounted styles of cotton.

Cotton Crop Condition For the Week ending September 14, 2008 (percent)					
State	Very Poor	Poor	Fair	Good	Excellent
AL	3	12	38	41	6
GA	4	10	44	35	7
NC	2	11	33	44	10
SC	5	11	49	33	2
VA	0	19	48	25	8

Source: USDA, NASS, Crop Progress Report

Cotton Crop Condition For the Week ending September 14, 2008 (percent)					
State	Very Poor	Poor	Fair	Good	Excellent
AR	1	10	35	42	12
LA	24	30	39	7	0
MS	7	10	23	42	18
MO	3	8	23	57	9
TN	0	8	33	52	7

Source: USDA, NASS, Crop Progress Report

Cotton Crop Condition For the Week ending September 14, 2008 (percent)					
State	Very Poor	Poor	Fair	Good	Excellent
KS	5	10	30	45	10
OK	4	12	39	35	10
TX	9	18	33	31	9

Source: USDA, NASS, Crop Progress Report

Cotton Crop Condition For the Week ending September 14, 2008 (percent)					
State	Very Poor	Poor	Fair	Good	Excellent
AZ	0	2	16	67	15
CA	0	0	5	40	55

Source: USDA, NASS, Crop Progress Report

Regional Price Information

Southeastern Markets

- Mixed lots containing a moderate volume of 2005 and 2006-crop cotton, color mostly 42 and better, leaf 3-5, staple 34 and longer, mike mostly 32-52, strength 27-30, and uniformity 80-82 traded at around 57.00 to 58.25 cents per pound, FOB car/truck (Rule 5, compression charges paid).
- Merchants offered mixed lots containing color mostly 31 and 41, leaf 3 and 4, staple 32 and longer, mike 35-49, strength 27-29, and uniformity 79-81 at around 150 to 250 points off ICE December futures, same terms as above.
- Merchants offered a heavy volume of color 42 and better, leaf mostly 5 and better, staple 33 and shorter, mike 35-49, strength 24-26, and uniformity 78-80 for around 58.25 cents, same terms as above.

South Central Markets

- A light volume of color mostly 11 and 21, leaf 3 and better, staple 35, mike 35-46, strength 27-31, and uniformity 79-82 sold at around 57.50 cents per pound, FOB car/truck (Rule 5, compression charges paid).
- A moderate volume of color mostly 31 and 32, leaf 3, staple 34 and longer, mike 42-52, strength 26-31, and uniformity 79-83 sold at around 60.25, same terms as above.
- A light volume of color 41 and better, leaf 4 and better, staple 34 and longer, mike 36-49, strength 27-32, and uniformity 79-82 sold at around 55.00 cents, same terms as above.

Southwestern Markets

East Texas-Oklahoma

- A moderate volume of 2008-crop cotton, color 31 and better, leaf 3 and better, staple 36, mike 35-49, strength 23-37, and uniformity 78-84 traded in *south Texas* at around 63.50 cents per pound, FOB warehouse (compression charges not paid).
- A light volume of 2008-crop cotton, color 31 and better, leaf mostly 2, staple 36 and longer, mike 44-51, strength 28-35, and uniformity 81-85 traded in *south Texas* at around 60.00 cents, same terms as above.
- A light volume of 2007-crop, color 41 and 51, leaf 4, staple 36 and longer, mike 36-51, strength 25-35, and uniformity 76-84 traded in *south Texas* at around 56.25 cents, same terms as above.

West Texas

- A moderate volume of 2007-crop cotton, color 21 and better, leaf 2 and better, staple 37 and longer, mike 35-49, strength 25-34, and uniformity 79-84 traded at around 60.00 to 61.00 cents per pound, FOB car/truck (compression charges not paid).
- A light volume of 2007-crop cotton, color 31 and better, leaf 3 and better, staple 36 and 37, mike 35-49, strength 25-34, and uniformity 76-84 traded at around 59.50 cents, same terms as above.
- A moderate volume of 2007-crop cotton, color mostly 31 and better, leaf 4 and better, staple 32 and 33, mike 35-52, strength 23-34, and uniformity 75-84 traded at around 57.50 to 58.00 cents

Western Markets

San Joaquin Valley

- No trading activity was reported.

Desert Southwest

- No trading activity was reported.

American Pima

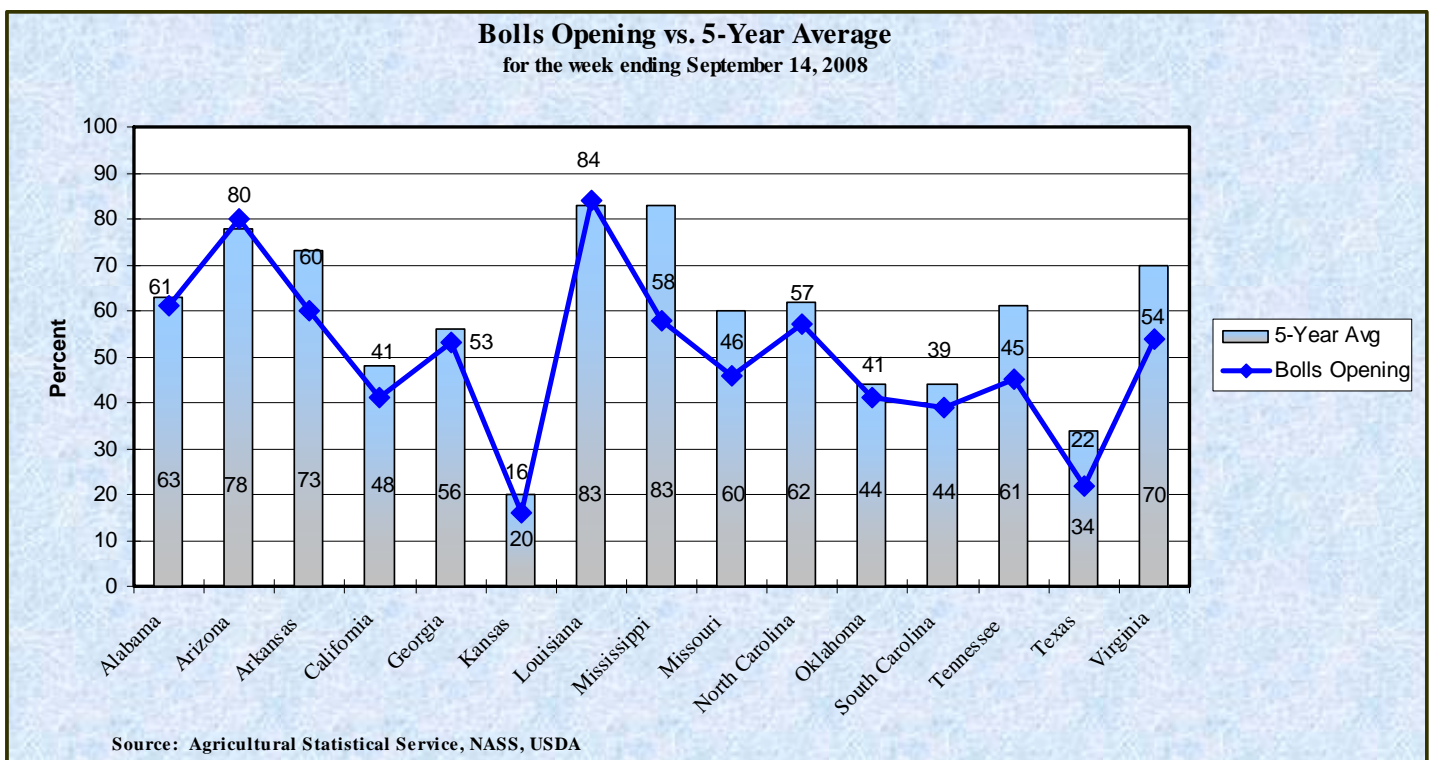
- A moderate volume of SJV Pima, color 2 and better, leaf 2 and better, and staple 46 and longer traded for around 126.00 to 127.00 cents per pound, UD free, FOB warehouse.

The following information was excerpted from a report by the National Agricultural Statistics Service, NASS, released September 16, 2008:

All cotton production was forecast at 13.8 million 480-pound bales, up 1 percent from last month but down 28 percent from last year. Yield was expected to average 849 pounds per harvested acre, up 7 pounds from last month but down 30 pounds from the record yield in 2007. Upland cotton production was forecast at 13.4 million 480-pound bales, up 1 percent from last month but 27 percent below 2007. Producers in Texas were expecting increased yields from last month, while Georgia producers were expecting lower yields due to the effects of Tropical Storm Fay.

Upland growers in Arkansas and Oklahoma were expecting record-high yields, surpassing the records set in 2004 and 2007, respectively. American Pima production was forecast at 459,000 bales, down 46 percent from last year. Producers expect to harvest 9.41 million acres of all cotton and 7.66 million acres of upland cotton, both down 25 percent from last year and the lowest harvested acreage since 1983. American Pima harvested area was expected to total 170,000 acres, down 41 percent from 2007.

Cotton squaring was nearly complete by August 10, one point behind the 5-year average. Boll setting was nearly three-fourths complete by August 10 and was delayed 8 points when compared with the 5-year average pace. By August 31, 94 percent of the acreage was setting bolls, 2 points behind last year and 3 points behind the 5-year average. Nationwide, 9 percent of the acreage had open bolls on August 10, the same as the 5-year average. Moving a few percentage points each week, 21 percent of the acreage had open bolls by month's end, 7 points behind average. Development in the top producing states was delayed. The percentage of the crop rated in good-to-excellent condition increased 5 points from early August, reaching 50 percent by August 31.



Number of Bales in Certificated Stocks

Delivery Points	Stocks as of 09-18-2008	Awaiting Review	Non-Rain Grown Cotton
Galveston, TX	127,034	0	0
Greenville, SC	174,431	0	0
Houston, TX	52,113	0	0
Memphis, TN	1,054,046	1,170	490
New Orleans, LA	38,980	0	0
Total	1,446,604	1,170	490

Source: USDA, AMS, Cotton Program and ICE Board of Trade.

Average Price for 31-3-35					
Market	Fri	Mon	Tue	Wed	Thu
	12-Sep	15-Sep	16-Sep	17-Sep	18-Sep
SE	60.42	58.22	57.07	58.42	57.76
ND	59.17	56.97	55.57	57.67	56.76
SD	59.17	56.97	55.57	57.67	56.76
ETX	62.25	60.00	58.25	59.00	58.50
WTX	62.00	59.75	58.00	58.75	58.50
DSW	58.67	56.47	54.82	57.92	57.26
SJV	63.42	61.22	59.57	62.67	62.01
7-Mkt Avg.	60.73	58.51	56.98	58.87	58.22

Source: USDA, AMS, Cotton Program

Average Price for 41-4-34					
Market	Fri	Mon	Tue	Wed	Thu
	12-Sep	15-Sep	16-Sep	17-Sep	18-Sep
SE	59.42	57.22	56.07	57.42	56.76
ND	57.67	55.47	54.07	56.17	55.51
SD	57.67	55.47	54.07	56.17	55.51
ETX	60.25	58.00	56.25	57.00	56.50
WTX	59.00	56.75	55.00	55.75	55.50
DSW	53.17	50.97	49.32	52.42	51.76
SJV	54.67	52.47	50.82	53.92	53.26
7-Mkt Avg.	57.41	55.19	53.66	55.55	54.97

Source: USDA, AMS, Cotton Program

Spot Transactions					
Market	Fri	Mon	Tue	Wed	Thu
	12-Sep	15-Sep	16-Sep	17-Sep	18-Sep
Upland					
SE	0	0	2,430	0	0
ND	0	0	248	352	103
SD	0	0	0	880	0
ETX	2,024	0	0	547	644
WTX	2,182	1,056	0	1,353	8,903
DSW	0	0	0	0	0
SJV	400	0	0	0	0
Total	4,606	1,056	2,678	3,132	9,650
Pima	460	400	0	0	450

Source: USDA, AMS, Cotton Program

The following information was excerpted from the Cotton and Wool Situation and Outlook report, released on September 15, 2008, by the Economic and Research Service:

The latest U.S. Department of Agriculture (USDA) projections for 2008/09 indicated that world-cotton mill use was expected to decline for the first time in five years. The weakening of global economic conditions has negatively impacted textile and apparel demand. As a result, world cotton consumption was forecast at 123.7 million bales this season, marginally below the 2007/08 record.

While U.S. cotton mill use has deteriorated for a number of years, foreign consumption has grown dramatically over the previous five years, rising more than 25 million bales since 2003/04. In fact, foreign cotton mill use has reached consecutive records in each of the past nine seasons, largely the result of growth in China. For 2008/09, the current forecast has foreign cotton consumption up slightly from a year ago, due to China's increase, while U.S. mill use declines to 4.4 million bales, the lowest in 105 years.

Domestic Outlook

Cotton Crop Forecast Slightly Higher in September

According to USDA's September *Crop Production* report, the 2008 U.S. cotton crop was projected at 13.85 million bales, up slightly from last month's forecast but still the lowest in nearly two decades. Upland production was projected at 13.4 million bales, 5 million below last season, while the extra-long staple (ELS) crop was estimated at 459,000 bales, 46 percent below 2007/08. While the full impact of Hurricane Gustav was not included in this projection due to its timing, it will be incorporated into next month's forecast.

During the previous 20 years, the September forecast has been above final cotton production 8 times and below 12 times. Past differences between the September forecast and the final production estimate indicated that chances are two out of three that the 2008 U.S. cotton crop will range between 12.9 and 14.8 million bales. Compared with last season, upland production was expected to be lower in each region of the Cotton Belt. In the Southwest, where planted area accounted for more than half of the U.S. cotton plantings in 2008, upland production was forecast at 5.6 million bales, 3 million below last season and the smallest in 5 years. The crop decline was largely attributable to the rise in abandonment, which increased from 4 percent in 2007 to an estimated 30 percent for this season.

The Delta region's crop was forecast at only 3.8 million bales in 2008, the lowest since 1986 as area dropped to its smallest since 1983. The regional yield has remained strong, however, and, at 979 pounds per harvested acre, this season's yield would be the second highest on record. The Southeast was expected to experience the smallest crop decrease this season, although production is at its lowest since 1993. While area there was also the lowest in 15 years, the third highest yield kept production in the region near that of last season.

In the West, upland area and production continued to decrease. The 2008 crop forecast was currently projected at 840,000 bales, less than half the level of just three years ago. However, the third highest yield on record, at 1,445 pounds per harvested acre, was keeping production from falling faster. In contrast, the West continued to dominate ELS production. California, in particular, accounts for about 90 percent of the ELS area and crop in 2008; California reduced planted area by 40 percent due to competition from alternative crops and water restrictions.

Total area planted to cotton was estimated at 9.4 million acres, with harvested area projected at 7.8 million acres, both the lowest in 25 years. Abandonment, estimated at about 17 percent, was well above last season but similar to 2006. The national yield was currently projected at 849 pounds per harvested acre, 30 pounds below the 2007 record but still the third highest.

Demand and Stock Projections Revised for 2007/08 and 2008/09

For 2007/08, U.S. exports were reduced to 13.65 million bales based on USDA's final *U.S. Export Sales* report for the season. Similarly, ending stocks were reduced to 9.9 million bales based on the preliminary end of season Census stock data. For 2008/09, U.S. exports were also reduced, as the decline in global textile and apparel demand has dampened the outlook for foreign imports of raw cotton. U.S. exports were lowered to 14.5 million bales, still above last season and the second highest on record. Consequently, the ending stock estimate was up from August but is 5 million bales below last season, with a stocks-to-use ratio of only 26 percent.

U.S. Textile Trade: Imports Rise, Exports Fall in June

U.S. textile imports rose during June 2008 to 1.6 billion (raw-fiber equivalent) pounds, 5 percent above May but 9 percent below June 2007. Imports of cotton, wool, and manmade fibers increased in June compared with a month earlier. For major end-use categories, apparel imports accounted for all of the increased shipments. Apparel imports in June were higher for all major fibers, except silk. Cotton imports, at 907 million pounds, accounted for 58 percent of the total. Imports of cotton products rose 5 percent from May, but were 8 percent below a year ago. Imports from Asia accounted for 70 percent of the June total while shipments from other North American countries provided another 24 percent.

U.S. textile exports in June, at 352 million pounds, were slightly below a month earlier and 3 percent below June 2007. The monthly export decline was entirely from manmade fiber shipments. By end-use category, shipments of apparel, floor coverings, and yarn, thread, and fabric were below May 2008. Cotton textile exports, at 173 million pounds, were slightly above the previous month, but 3 percent below a year earlier. Cotton shipments accounted for 49 percent of total exports. U.S. cotton textile exports, for the most part, are sent to other North American countries, and 91 percent of the total was sent to this region in June.

Overall, the U.S. textile trade deficit for the first half of 2008 reached 6.6 billion pounds, 7 percent lower than in the first half of 2007. The cotton textile trade deficit, at 3.9 billion pounds, fell 6 percent from January-June 2007. Cotton's share of the total trade deficit was 59 percent, the same share as during the first 6 months of 2007.

International Outlook

World Cotton Consumption Slows Significantly

In 2008/09, global consumption of cotton was expected to decline slightly. At 123.7 million bales, global consumption was forecast 100,000 bales below the previous year's level. In 2007/08, world consumption was growing, but by only 0.3 percent, down significantly from both the average rate of growth over the previous 20 years (2.1 percent) and the previous 10 years (3.5 percent).

Production of cotton in 2008/09 was also forecast lower than the year before, down 8.2 million bales or 6.8 percent, to 112.2 million bales. This would be the largest decline since 1992/93. World trade was forecast slightly lower than the year before, at 38.5 million bales, and world ending stocks are expected to fall 8.5 million bales, to 52.3 million bales. World (minus China) ending stocks were expected to fall to 29 percent of world consumption in 2008/09, their lowest since 1997/98. In 1997/98, the U.S. farm price of upland cotton averaged 65 cents/pound, and in 2008/09 it was also expected to fall within a range of 57 to 69 cents/pound.

Factors Slowing World Cotton Consumption

Between 1998 and 2006, world cotton consumption realized some of its largest gains ever. Consumption grew by a third in this 8-year period, surpassing the 28 percent gain achieved between 1981 and 1989, the only period with a comparable increase in the last 50 years. The sources of this consumption strength probably included global textile trade liberalization, favorable prices for cotton relative to polyester, and relatively rapid income growth world-wide.

In August 2008, cotton prices relative to polyester were 12 to 16 percent higher than they were from 2004/05 through 2006/07, but were 14 percent lower than from 1999/2000 through 2003/04. World cotton consumption was therefore growing relatively strongly during periods when cotton was both more and less relatively expensive than it is currently. This makes it difficult to attribute declining cotton consumption to relative fiber prices.

Similarly, world income growth was forecast to be relatively strong in 2008/09, as it was in 2007/08. Calendar 2009 world gross domestic product (GDP), measured on a purchasing power parity basis, was expected to grow 3.6 percent, down from the 4.1 percent estimated for 2008, and 5 percent in 2007. Over the last 20 years, world GDP growth has averaged 3.5 percent, so the coincidence of near-to-above average income gains, with significantly below average increases in world cotton consumption, might appear anomalous.

However, comparing annual world income growth with its underlying trend adds perspective. While the 3.6 percent global GDP growth expected in 2009 is high relative to long run average growth, it is below the rate that recent trends would have led one to expect. World economic growth has been unusually strong in recent years, and if 2009 growth had remained at a trend level, it would have been nearly a full percentage point higher. Clothing was a semi-durable good and consumers can build inventories during times of rapid economic growth and then slow purchases in response to downward income shocks. This was clearly demonstrated during the Asian Financial Crisis of the late 1990s.

Much of the change in global consumption gains over time can be attributed to China, and exact estimates of China's cotton consumption are highly speculative. However, the slowdown in China's net cotton imports provides valuable corroboration. China's net cotton imports trended up sharply between 1998/99 and 2006/07, with trend growth exceeding 2 million bales a year. In 2007/08, imports were less than 1 million bales above the previous year's level and current levels of import purchases suggest they could grow less than half a million in 2008/09.

Another negative factor for world cotton consumption in 2008/09 was the large increase realized in world cotton prices during 2007/08. Adjusted for inflation, the A-Index (FE) rose 21 percent from the year before in 2007/08. A smaller increase was likely for 2008/09, with the mid-point of USDA's upland price expected to rise about 6 percent in inflation-adjusted terms. However, the correlation between world cotton consumption growth and either current or lagged changes in world prices has been substantially weaker than consumption's correlation with GDP, so it is difficult to attribute declining world cotton consumption to rising cotton prices alone. The combination of higher cotton prices and below-trend income growth could account for a decline in world cotton consumption.

Forecasting income growth very far into the future is difficult. GDP forecasts have recently been revised downward for a number of countries, suggesting the outlook for cotton consumption is less robust than would have been expected earlier. When forecasting cotton consumption with knowledge of the uncertainties in macro-economic forecasting, there can be tension between relying on shifting, but high, GDP forecasts, and relying on the information available from current trends in international cotton sales and market sentiment. Cotton consumption was more responsive to income changes than consumption of food, and in some years the relevant measure of income growth may be the relative level of growth rather than the absolute level.

World market price for upland cotton, in cents per pound, in effect from 12:01 a.m., EST, Friday through midnight, EST, Thursday

Description	2008					
	Aug	Aug	29-Aug	Sep	Sep	Sep
	15-21	22-28	4-Sep	5-11	12-18	19-25
Adjusted world price 1/	63.43	61.99	63.06	62.85	58.27	55.79
Coarse count adjustment	0.00	0.00	0.00	0.00	0.00	0.00
Loan Deficiency Payment (LDP)	0.00	0.00	0.00	0.00	0.00	0.00

1/ Color 41, leaf 4, staple 34, mike 35-36 & 43-49, strength readings of 26.5-28.4 grams per tex, length uniformity of 81 percent.

Source: Farm Service Agency, USDA.

ICE futures contract settlement, designated spot market average for color 41, leaf 4, staple 34, and Far Eastern 'A' Index

Date	Color 41, Leaf 4, Staple 34						7-Market Average	Far Eastern 'A' Index 1/
	Futures Settlement							
	Oct-08	Dec-08	Mar-09	May-09	Jul-09	Oct-09		
September 12	62.17	64.52	69.34	71.28	73.48	76.42	57.41	Current
September 15	59.97	62.13	66.65	68.75	70.96	73.90	55.19	73.70
September 16	58.32	60.61	65.26	67.32	69.40	72.34	53.66	74.25
September 17	59.36	61.42	65.98	68.10	70.26	73.20	55.55	72.45
September 18	58.76	60.76	65.34	67.52	69.58	72.52	54.97	71.05
								71.80

1/ C.F. Far Eastern price furnished by Cotton Outlook of Liverpool.

Upland Spot Price Quotations
Color 41, Leaf 4, Staple 34

Date	Cents per Pound							7-Market Average
	Southeast	North Delta	South Delta	East TX/OK	West Texas	Desert SW	SJ Valley	
September 12	59.42	57.67	57.67	60.25	59.00	53.17	54.67	57.41
September 15	57.22	55.47	55.47	58.00	56.75	50.97	52.47	55.19
September 16	56.07	54.07	54.07	56.25	55.00	49.32	50.82	53.66
September 17	57.42	56.17	56.17	57.00	55.75	52.42	53.92	55.55
September 18	56.76	55.51	55.51	56.50	55.50	51.76	53.26	54.97

Source: USDA, AMS, Cotton and Tobacco Programs, Cotton Market News

U.S. upland cotton export sales and exports, in running bales, for week and year, marketing years 2007-2008 and 2008-2009

Description	Marketing Years			
	2007-2008		2008-2009	
	Through September 13, 2007		Through September 11, 2008	
	Week	Mkt. Year	Week	Mkt. Year
Outstanding sales	-	2,882,200	-	3,571,400
Exports	247,900	1,858,800	288,600	1,509,200
Total export commitments	-	4,741,000	-	5,080,600
New sales	183,400	-	468,200	-
Buy-backs and cancellations	5,500	-	6,600	-
Net sales	177,900	-	461,600	-
Sales next marketing year	5,000	142,000	12,700	62,400

Net Upland sales of 461,600 running bales were up three and three-tenths times from the previous week, and three times from the prior 4-week average. Increases were reported for China (179,800 RB, including 2,200 RB switched from Vietnam), Vietnam (59,500 RB), Indonesia (48,300 RB), Turkey (44,700 RB), and Thailand (37,800 RB). Net sales of 12,700 RB for delivery in 2009/10 were mainly for Mexico (11,300 RB). Exports of 288,600 RB were up 24 percent from the previous week and 16 percent from the prior 4-week average. The primary destinations were China (140,600 RB), Mexico (33,700 RB), Turkey (31,700 RB), and Indonesia (15,200 RB). Net American Pima sales of 700 RB were mainly for Peru (400 RB) and Thailand (300 RB). Exports of 1,000 RB were primarily to Indonesia (300 RB), Thailand (300 RB), and Japan (300 RB).

Source: Export Sales Reporting Division, Foreign Agricultural Service, USDA.

NOTE: Data may not add due to rounding.

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Spot quotations are in cents per pound for cotton equal to the Official Standards, net weight, in mixed lots,
compressed, FOB car/truck.

SOUTHEAST				NORTH DELTA				Staple	SOUTH DELTA				DESERT SOUTHWEST			
31-3	41-4	51-5	42-4	31-3	41-4	51-5	42-4		31-3	41-4	51-5	42-4	21-2	31-3	41-4	51-5
55.76	55.26	52.51	54.76	53.76	52.76	49.51	52.01	33	54.01	52.76	49.26	51.76	51.26	50.51	47.76	46.01
57.01	56.76	53.26	55.26	55.76	55.51	51.26	52.51	34	55.76	55.51	51.01	52.51	54.01	53.26	51.76	46.51
57.76	57.26	53.76	55.26	56.76	55.76	51.76	53.51	35	56.76	55.51	51.51	53.26	58.26	57.26	53.51	47.26
57.76	57.51	54.01	55.51	57.01	55.76	51.76	53.76	36	57.01	55.76	51.51	53.26	58.86	58.11	54.36	47.51

EAST TEXAS-OKLAHOMA				WEST TEXAS				Staple	SAN JOAQUIN VALLEY			
21-2	31-3	41-4	42-4	21-2	31-3	41-4	42-4		21-2	31-3	41-4	32-3
54.25	53.25	52.00	51.75	53.75	52.75	50.50	50.00	29				
55.00	54.25	52.75	52.50	54.50	53.50	51.25	50.75	30				
55.50	54.75	54.00	52.50	55.00	54.25	52.25	50.75	31				
56.25	55.50	54.25	53.50	55.00	54.50	52.50	51.75	32				
58.25	57.75	55.75	54.25	57.50	57.25	53.75	52.75	33				
59.75	58.25	56.50	56.00	59.00	58.25	55.50	54.25	34	60.76	60.01	53.26	53.76
60.00	58.50	57.75	56.25	59.50	58.50	56.50	55.00	35	62.76	62.01	56.76	56.26
61.25	59.25	58.25	56.75	60.00	59.50	57.00	56.25	36	65.66	62.06	57.56	56.51

MIKE DIFFERENCES - POINTS PER POUND

SOUTH- EAST	NORTH DELTA	SOUTH DELTA	E. TX OK	Mike Ranges	WEST TEXAS	DESERT SW	SJ VALLEY	AVG.
				24 & Below	-875	-1200		-983
-825	-1000	-1100	-825	25-26	-825	-1000		-929
-425	-650	-750	-575	27-29	-550	-900	-1250	-729
-275	-325	-325	-300	30-32	-325	-425	-550	-361
-150	-125	-125	-150	33-34	-175	-275	-350	-193
0	0	0	0	Base 35-36	0	0	0	0
0	25	25	15	37-42	15	25	25	19
0	0	0	0	Base 43-49	0	0	0	0
-200	-150	-150	-240	50-52	-240	-275	-450	-244
-300	-275	-275	-375	53 & Above	-375	-475		-346

STRENGTH DIFFERENCES

UNIFORMITY DIFFERENCES

SOUTH- EAST	NORTH DELTA	SOUTH DELTA	E. TX OK	Grams per tex	WEST TEXAS	DESERT SW	SJ VALLEY	AVG.	SOUTH- EAST	NORTH DELTA	SOUTH DELTA	E. TX OK	Unit	WEST TEXAS	DESERT SW	SJ VALLEY	AVG.
				18.5-19.4	-175			-175	-125	-90	-90	-90	77 & below	-90	-100	-60	-92
				19.5-20.4	-175			-175	-110	-80	-80	-75	78	-75	-90	-50	-80
-425	-300	-275	-150	20.5-21.4	-150	-450		-292	-100	-70	-70	-60	79	-60	-80	-40	-69
-350	-250	-225	-125	21.5-22.4	-125	-300		-229	-25	0	0	0	80	0	0	0	-4
-300	-200	-175	-100	22.5-23.4	-100	-150		-171	0	0	0	0	Base 81	0	0	0	0
-250	-175	-125	-100	23.5-24.4	-100	-100	-100	-136	0	0	0	0	82	0	0	0	0
-200	-150	-100	-100	24.5-25.4	-100	-100	-100	-121	20	30	30	10	83	0	30	30	21
-50	-25	-25	-50	25.5-26.4	-50	-50	-50	-43	30	40	40	10	84	10	40	40	30
0	0	0	0	Base 26.5-28.4	0	0	0	0	40	50	50	20	85	20	50	50	40
0	0	0	0	28.5-29.4	0	0	0	0	50	60	60	30	86 & above	30	60	60	50
25	25	25	25	29.5-30.4	25	25	25	25									
50	50	50	50	30.5-32.4	25	50	50	46									
50	50	50	50	32.5 & Above	25	50	50	46									

LANDED MILL QUOTATIONS - GROUP 201 MILL POINTS

Cents per pound, even running lots, mike 35-49, strength 23.5 or more grams per tex, net weight, prompt shipment, delivered brokerage included.
Quotations for group 200 mill points are slightly higher and for Alabama, Georgia and east Tennessee mills are slightly lower.

SE GROWTH AREA				DELTA GROWTH AREA				Staple	TX-OK GROWTH AREA				SJV GROWTH AREA		
31-3	41-4	51-5	42-4	31-3	41-4	51-5	42-4		31-3	41-4	32-3	42-4	31-3	41-4	51-5
								31	NQ	NQ	NQ	NQ			
								32	NQ	NQ	NQ	NQ			
NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	33	NQ	NQ	NQ	NQ			
NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	34	NQ	NQ	NQ	NQ	NQ	NQ	NQ
NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	35							
								36							

NQ--No quote available

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American Pima quotations are for cotton equal to the Official Standards, net weight, in mixed lots, UD Free, FOB warehouse. 1/

AMERICAN PIMA SPOT QUOTATIONS

Color	Leaf	Staple		
		44	46	48
1	1	116.50	121.50	121.75
	2	116.25	121.25	121.75
	3	108.25	113.25	113.50
	4			
	5			
	6			
2	1	116.00	121.00	121.75
	2	115.50	120.50	121.25
	3	107.00	112.00	112.25
	4	89.75	94.75	95.50
	5			
	6			
3	1	109.50	114.50	115.25
	2	107.50	112.50	113.75
	3	99.00	104.00	106.00
	4	80.75	85.75	86.75
	5	75.25	76.25	77.50
	6			
4	1	80.50	85.50	86.50
	2	80.25	85.25	85.75
	3	80.00	85.00	85.00
	4	72.50	78.00	78.00
	5	72.50	72.75	72.75
	6			
5	1			
	2	62.50	69.75	69.75
	3	62.50	69.25	69.75
	4	62.50	63.75	63.75
	5	62.25	63.50	63.50
	6			
6	1			
	2	51.75	52.00	52.00
	3	51.75	52.00	52.00
	4	51.75	52.00	52.00
	5	51.50	51.75	51.75
	6	51.00	51.25	51.25

Mike

Range	Diff.
26 & Below	-1350
27-29	-945
30-32	-550
33-34	-395
35 & Above	0

Strength
(Grams per Tex)

Range	Diff.
35.4 and Below	-1050
35.5-36.4	-800
36.5-37.4	-550
37.5 and Above	0

Extraneous Matter

Level	Diff.
Prep	
1	-610
2	-895
Other	
1	-515
2	-835

1/ Pima spot quotations for color-leaf-staple combinations not quoted will be included as sales of those qualities which are reported.

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