



Willacy Farm & Ranch News



Cotton Market weekly



A Service Provided by Plains Cotton Cooperative Association
January 21, 2010

It appeared that four days of lower trading on the Intercontinental Exchange (ICE) was enough for cotton. Trade buying amid physical demand boosted ICE futures prices Thursday as a turnaround in the U.S. dollar took the lid off prices, traders said.

On Wednesday, cotton futures recorded a two-month low, but prices got a boost on Thursday from the abrupt weakness in the American dollar in the midst of a proposal for new bank restrictions from President Barack Obama.

Meanwhile, USDA's export sales data was as strong as traders had anticipated. For the week ended Jan. 14, the department reported net export sales of 321,900 bales for delivery in 2009-10 were down 26 percent from the previous week but eight percent higher than the four-week average. China, Turkey, Thailand, and Mexico were the week's top buyers. Net sales of 13,000 bales for delivery in 2010-11 were for Morocco and South Korea.

Export shipments of 197,100 bales were up nine percent from the previous week and 53 percent from the four-week average. Primary destinations were China, Mexico, Turkey, and In-

onesia.

Already, the U.S. has total cotton commitments of roughly 6.9 million bales on the books. "This represents 63 percent of the current USDA export projection with only 44 percent of the marketing year behind us," a trader said.

Meanwhile, sales were considerably lower on the spot cotton market as growers in Texas, Oklahoma, and Kansas sold 6,521 bales online in the four-day trading week ended Jan. 21 compared to the previous week when 13,141 bales were traded. Prices received by producers ranged from 57.90 to 62.40 cents per pound versus 61.68 to 65.30 cents per pound one week earlier.

Market observers now say the amount of cotton still available in the world market is quickly shrinking. The scarcity of cotton will remain a concern until the next crop cycle can offer supplies. While the Southern Hemisphere's cotton crop is important, it is not large enough to relieve the prevailing shortfall. As the planting period of the Northern Hemisphere approaches, the relative value of cotton versus the crops it competes with for acreage will have to be assessed. The

first official indicator for U.S. production will be the government's planting intentions report set for release at the end of March.

Regardless of U.S. planted acreage in 2010, the average cotton yield is likely to be higher than it was in 2009. The excessively wet weather across most of the Cotton Belt during harvest time in 2009 was damaging to the cotton crop in many areas and lowered yields considerably. Forecasters attributed the year's unusually wet conditions to an El Nino weather pattern which history shows should not continue for a second consecutive year. Market observers also say the extreme cold conditions across the country in the winter of 2009-10 should "put a large dent" in insect pressure in the season ahead. Not only would reduced insect pressure lower the cost of production in 2010, it also would incrementally add to yield potential as well.

Lower U.S. and world carryover stocks also should support higher cotton prices. The smaller 2009 U.S. cotton crop, coupled with crop setbacks in China, India, and Pakistan, have left a shortage of fiber.

South Texas citrus OK after cold snap

McALLEN, Texas (AP) - Most south Texas citrus apparently avoided damage from an early January cold snap, but the fate of some crops will not be known for a few weeks, experts say.

Julian Sauls with the Texas AgriLife Extension Service in Weslaco said most citrus in the area appeared to survive cold weather that reached Texas on Jan. 6.

"Citrus-wise, we dodged a pretty good bullet or two or three," Sauls said. "I've got a

whole bunch of young grapefruit planted and they don't even seem to be burned."

J&D Produce owner James Bassetti in Edinburg said the chilly weather ruined his beets, Swiss chard, dill weed, lettuce and other leafy greens, with overall damage at \$250,000.

Sugarcane, when subjected to cold, can lose the ability to produce sugar. Steve Bearden with Rio Grande Valley Sugar Growers Inc. said growers are now focused on harvesting to salvage whatever they can before

the plants rot.

"In most cases we've got up to six weeks before it goes bad," Bearden said.

Ray Prewett, president of Texas Citrus Mutual, said if the damage had been extensive, growers would have picked fruit from trees and rushed to turn it into juice before it spoiled.

"If we had a lot of fruit that was just obviously not going to be able to be shipped as fresh fruit, we would see trucks lined up outside our juice plants," Prewett said.

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TDA Market Recap -February 1, 2010

AUSTIN - For the week ending Jan. 30, feeder cattle price trends at Texas auctions were mixed, with sales early in the week mostly steady to \$2 per hundredweight higher and later sales steady to \$3 lower. Wet conditions in some areas, wintry weather on the High Plains, lower grain prices and lower stock markets all impacted the feeder cattle market. Fed cattle prices were near unchanged in spite of lower beef values for the week. Cotton and grain prices were again lower amid ample global supplies and a stronger dollar, which makes U.S. goods more expensive for foreign buyers. Lower crude oil prices and declining stock markets added to the decrease. As for futures markets, feeder cattle were higher, while fed cattle, cotton, wheat, corn and lumber were lower. Most of the state received one to five inches of rain during the week with lighter amounts in south Texas and heavy drifting snow on the High Plains. Topsoil moisture was rated mostly adequate to surplus, though very short conditions remain on the Northern High Plains and Edwards Plateau. The additional moisture benefited the winter wheat crop, especially on the High Plains. Wheat was rated in mostly fair to good condition. Cotton ginning was winding down and preparations for spring planting were active where field conditions allowed. Pastures were rated in mostly fair to poor condition with supplemental feeds necessary in many areas.

All cash prices above are market averages for locations covered by the TDA Market News program and do not reflect any particular sale at any specific location. Feeder cattle prices are for 500-600 pound medium and large No. 1 steers. Futures prices

are quoted for the nearest month contract on the last trading day of the week. For additional information, contact TDA Market News at (800) 252-3407 or visit our Web site, www.tdamarketnews.com

	----- Week Ending -----		
Texas Cash Markets:	01/30/10	01/23/09	01/23/08
Feeder Steers (\$/cwt)	104.08	105.61	93.94
Fed Cattle (\$/cwt)	85.82	85.99	81.89
Slaughter Lambs (\$/cwt)	148.00	149.00	149.00
Slaughter Goats (\$/cwt)	169.50	170.00	153.00
Cotton (¢/lb)	65.88	66.38	44.75
Grain Sorghum (\$/bu)	5.31	5.45	5.12
Wheat (\$/bu)	4.05	4.24	5.21
Corn (\$/bu)	3.51	3.60	3.73
Oranges (\$/carton)	10.80	10.80	9.75
Grapefruit (\$/carton)	13.65	13.65	10.49
Cabbage (\$/carton)	10.50	13.25	6.00
Futures Markets:			
Feeder Cattle (\$/cwt)	98.87	97.10	91.00
Fed Cattle (\$/cwt)	85.80	86.62	82.00
Cotton (¢/lb)	69.03	71.07	49.41
Wheat (\$/bu)	4.87	5.02	6.01
Corn (\$/bu)	3.57	3.65	3.79
Lumber (\$/1000bdf)	248.50	250.40	148.10

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6:00 P.M. – 8:00 P.M.

On the MENU:
Boiled Shrimp, Cole Slaw
Corn on the Cob, New Potatoes

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