

WEEK IN BRIEF

Upland **offering rates** were pushed higher early in the period by strong gains in ICE futures, much of which have since been given up.. July's premium on December has widened... China's Zhengzhou futures also firmed sharply with the advent of the State Reserve auction series on March 6. Prices subsequently collapsed to end the period lower. Open interest has retreated from last week's recent high level. Certified stocks have risen to their highest level for several years... The 15th annual meeting of the African Cotton Association began this week in Nairobi, Kenya..

In the United States, **field work** has been interrupted in parts of West Texas by very hot temperatures and sporadic wildfires. A spell of slow soaking rain would be welcomed to improve ground water levels. Precipitation in the Delta has softened soils, but is considered beneficial on balance. Much-needed rainfall has been evident in the Southeast. Water availability has continued to improve in the Far West... Classing data in Egypt demonstrate the shortfall in this year's crop ... The lag in Indian seed cotton arrivals compared with last season has widened to almost 1.4 million local bales. Daily volumes have nonetheless remained robust... Some very early planting has begun in parts of Pakistan's Sindh province. Elsewhere, field preparations have continued... In Australia, some very early picking has been in evidence in Queensland. The harvest will begin across the cotton belt from next month.

Mill demand has remained concentrated on US cotton for nearby delivery, though enquiry was stifled somewhat during the advance in ICE futures. Mills in Bangladesh have continued to enquire for the customary origins, but volume orders have been scarce. Modest purchases of African Franc Zone and Australian cotton have been in evidence. Far Eastern markets have purchased some US and Brazilian. Indian mills have displayed sporadic import demand for a range of growths... During the week ended March 2, US upland export sales registrations for shipment in the current season rose by a net 248,900 running bales. Shipments were 529,000 bales, representing a marketing-year high... Turkmen current crop cotton is approaching a sold out position... Raw cotton imports to Russia showed a further decline in 2016 ... Cotton offered for sale at China's State Reserve auctions has virtually sold out during the few days of the new series... Over half of Vietnam's raw cotton imports during the season so far were supplied by the US... Around 50 percent of Australian raw cotton exports in January were to China.

The cotton **yarn** market has remained relatively sluggish in reflection of high raw replacement costs. In Pakistan, local demand has improved somewhat but export orders have remained limited... During February, garment export earnings for Bangladesh were lower than in the previous month, but higher than in February 2016... Last year's devaluation of Egypt's currency is expected to boost garment exports and domestic fibre consumption in 2017... Russian yarn and fabric imports have continued to rise. In 2016, the main yarn suppliers were Uzbekistan and Turkmenistan.



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INTERNATIONAL COTTON PRICES

Futures climb before falling back

Upland offering rates firmed dramatically early in the period, influenced by strong gains in New York. ICE futures reached life-of-contract highs in all nearby months on March 6. Macro-economic factors continued to provide support to cotton prices, as well as the still considerable volume of unfixed on-call purchases present in the market. However, a sharp reversal in futures followed, with New York settling lower in two consecutive sessions, to place prices only modestly firmer by the end of the period. Volume eased, to less than half of the quantity registered on March 2.

Basis levels have generally remained firm relative to New York, as traders feel little pressure to discount prices. This perspective has been further entrenched by the relatively tight supply position which has emerged in relation to the most competitive nearby growths, as well as the perception that most mills remain in need of cover during the second quarter and beyond.

China's ZCE futures platform also saw significant gains during the period, with active contracts increasing sharply in the wake of the first State Reserve auction session, to settle at successive life-of-contract highs. Prices subsequently reversed direction to close lower on the week, influenced by speculative selling and lower settlements in other commodities. ZCE open interest rose to its heaviest level since November during the rally, but the sell-off saw a sharp reduction late in the period.

China's State Reserve auctions

The new auction series opened on vigorous trading, with the catalogues offered in the first four sessions virtually selling out. Since roughly 30,000 tonnes were offered for sale each day, daily average sales, at this very early juncture, are well in excess of the approximately 21,000 tonnes that would be required to match last year's total of 2.6 million tonnes, presuming that the series continues, as officially stated, only until the end of August.

Prices paid began considerably above the weekly auction base level but drifted lower as the week progressed, presumably under the influence of futures but perhaps also giving credence to the perception that State Reserve cotton, by dint of quality issues, will be subject to downward pressure. The base price itself seems likely to be higher next week, judging by the current, week-to-date levels.

The questionable quality of State Reserve old crop cotton has remained a major topic of discussion and is attributed as having driven the active pace of initial buying, as well as prompting a continuation of trade buying of commercial high grade stocks from the current crop. The proportion of cotton purchased at the auction by local textile mills exceeded two thirds of the total volume on the first day, but declined modestly in the subsequent sessions, as trade buyers increased their share. The quality issue has prompted a request from a senior industry leader for more flexibility to be forthcoming in the import quota regime.

Import demand limited

Import demand from China was reignited to some extent by the decline in international asking rates that accompanied New York's slump in late February, and though some observers had anticipated a potential slowdown in activity with the advent of the auction series, pockets of enquiry and business have thus far remained in evidence. Purchases have consisted mainly of 'on-call' cotton, for short-term gap-filling purposes and US new crop.

Chinese import demand seems likely to be sustained, within the bounds of quota restrictions, by the quality requirement. Mills outside China with depleted inventories will doubtless also remain in the market, though a firm price

scenario may inhibit a diversion from the generally hand-to-mouth approach still in evidence. For the time being, most mill buyers appear to be resisting higher asking rates. Physical demand in a number of markets has remained concentrated on US cotton, though volume business has been difficult to conclude. The now relatively scarce offers of nearby African Franc Zone crop have commanded an increasing premium. Spinners in Bangladesh are thought to be covered in the short term, allowing them to take a more cautious approach to entering new commitments at current levels.

Indian cotton has remained notably absent from spinners' import enquiries, since a continued strong advance in asking rates has placed it considerably beyond the level most mills are willing to contemplate. Prices in India during the period under review have reached their highest point since early October, further widening the gap in relation to international parities. Support has been derived from the slow release of seed cotton to gin yards by farmers. The aggregate volume of arrivals by March 2 stood at just over 60 percent of the prospective eventual outturn, compared with 68 percent in 2016. According to Indian customs data, exports last season represented roughly 22 percent of the eventual crop; to dispose of a similar proportion in the current season, exports would have to exceed the total figure achieved in 2015/16, which seems, increasingly, an unlikely proposition. Private assessments place the volume of cotton thus far committed for export at perhaps 3.1 million local bales, from an anticipated crop of 34.5 million.

Meanwhile, Indian spinners who had displayed sporadic import demand in recent weeks have been generally reluctant to follow the upward trajectory of international prices, with the result that activity was dampened somewhat during New York's recent rally, though some evidence of a revival has been noted late in the reporting period

WASDE report anticipated

The now imminent release (immediately after this issue has gone to press) of USDA's March estimate of global supply and demand has commanded attention in trade circles. The consensus appears to be that US exports are likely to be increased modestly, from the current forecast of 12.7 million bales (of 480 lbs). In running bales, outstanding sales commitments and shipments by March 3 already stood at 11.7 million, or only a few percentage points short of USDA's current forecast, on comparable bale-weight terms. However, USDA's inclination appears to be to make small, regular adjustments to its figures, rather than implementing a sizeable change in a single report.

At the Mid-South Farm and Gin show, held in Memphis late last week, speaker Joe Nicosia noted that India's 'demonetisation' policy (and resultant high prices), as well as decreased export competition from a number of other origins, has benefited US cotton exports in the current season. He emphasised a belief that cotton is 'recovering and evolving', urging US farmers to increase acreage and push ahead to achieve a 20 million bale crop by 2020, up over three million bales on the current season's foreseeable outturn.



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CFR Far Eastern Quotations for Principal Growths

Quotations as at March 9, 2017

Description	Price	Change on week	Shipment	Price	Change on week	Shipment
American-Type cottons:						
Higher grades						
Australian SM 1-5/32"	91.25	0.25	6/7			
Benin Kaba/s 1-1/8"	88.75	0.50	3/4			
Burkina Faso BOLA/s 1-1/8"	88.75	0.50	3/4	85.00	0.25	1/2
Cameroon IRMA/s 1-1/8"	89.25	0.50	3/4			
Cameroon PLEBE 1-5/32"	91.00	0.50	3/4			
Chad Kero A51 1-5/32"	91.00	0.50	3/4			
Indian Shankar-6, 1-1/8"	86.00	0.25	3/4			
Ivory Coast MANBO/s 1-1/8"	88.75	0.50	3/4			
Mali JULI/s 1-1/8"	89.25	0.50	3/4	85.50	0.25	1/2
Spanish SM 1-1/8"	NQ			85.25	-	10/11
Tanzanian RG1 1-1/8"	NQ					
Texas SM 1-1/8"	88.00	0.25	3/4			
Uzbekistan SM 1-1/8"	92.00	0.25	3/4			
Zambian SM 1-1/8"	NQ					
Zimbabwe SM 1-1/8"	NQ					
Medium grades						
1-1/8" staple unless stated						
Australian Midd	89.75	0.25	6/7			
Benin BELA *	87.75	0.50	3/4			
Brazilian Midd	88.50	0.25	3/4	85.75	0.50	10/11
Burkina Faso RUDY *	87.75	0.50	3/4			
California/Arizona Midd	90.00	0.25	3/4			
Greek Midd	89.00	0.25	3/4	87.00	0.50	10/11
Indian medium grades **	85.00	0.25	3/4			
Iv. Coast BEMA *	87.75	0.50	3/4			
Mali ROKY/KATI *	88.25	0.50	3/4			
Memphis/Eastern Midd	88.25	0.25	3/4	86.25	0.50	11/12
Memphis/Orleans/Texas Midd	86.75	0.25	3/4			
Mexican Midd	NQ					
Syrian Midd	NQ					
Tanzanian SG1	NQ					
Uzbekistan Midd	89.00	0.25	3/4			
Lower grades						
Argentine SLM, 1-1/16"	NQ					
Brazilian SLM 1-3/32"	86.50	0.25	3/4			
Greek SLM 1-3/32"	NQ					
Indian J-34 SG **	NQ					
Memphis/Eastern SLM 1-3/32"	85.50	0.25	3/4			
Memphis/Orleans/Texas SLM 1-3/32"	84.50	0.25	3/4			
Pakistan AFZAL 1-1/16"	NQ					
Pakistan Type 1467 1-3/32"	NQ					
Long Staple cottons:						
US Pima Grade 2 1-7/16" #	170.00	Unch	3/4			
Egyptian Giza 86 Good+3/8	157.00	Unch	3/4			
Egyptian Giza 94 Good+3/8	161.00	Unch	3/4			
Israeli Pima H1, 1-7/16" #	168.00	Unch	3/4			
Israeli Acalpi	128.00	Unch	3/4			

* A maximum of two African Franc Zone growths are permitted in the Index calculation.

** Applicable ICS standards, as adopted by the ICA are as follows: Higher grade - ICS 105 Superfine; Medium grade ICS 105 Fine

Qualities used in US Pima competitiveness programme.

THE COTLOOK INDICES

The Cotlook A Index was first calculated in 1966. The basis of the calculation has changed over the years with regard to quality and location. Since March, 2003 the Index has represented CFR Far East Eastern values. Between 1981/82 and 2014/15, the quality description of the Index was Middling 1-3/32". However, with effect from the 2015/16 Index, the staple length has been adjusted to Middling 1-1/8".

The quotations are compiled and published daily.

The Index is the average of the cheapest five of the eligible growths listed in the category 'medium grades' on page 2, taking the nearer shipment when prices are quoted on the same level. However, only two African Franc Zone quotations (*) are permissible Index constituents on any day. Four growths are currently listed, namely Ivory Coast, Burkina Faso, Benin and Mali cottons, which together account for roughly 80 percent of production in the region. Southern Belt new crop (as identified in Cotlook's Production Estimate) in any season only becomes eligible for the Index from January 1 onwards.

The Cotlook Dual Index system is intended to suggest prevailing levels of offering prices for cotton to be shipped both nearby and forward, by provision of two sets of Indices at the appropriate times of year. The nearby or CURRENT season's Index is for shipment no later than August/September and the other or FORWARD season's Index is for cotton to be shipped no earlier than October/November. Each Index expires at the end of its respective season, the last business day of July. On the subsequent business day, the previous FORWARD Index assumes the CURRENT role; it alone is then quoted until early in the new calendar year, when it is joined by a new FORWARD Index as soon as October/November shipment offers of the various growths are available in sufficient number to permit the establishment of appropriate values.

The 2015/16 Index expired on July 31, 2016.

Prices as at March 09, 2017

2016/2017 Cotlook A Index	87.10	
Description	Price	Shpt
Indian medium grade	85.00	3/4
Memphis/Orleans/Texas	86.75	3/4
Benin BELA	87.75	3/4
Burkina Faso RUDY	87.75	3/4
Memphis/Eastern	88.25	3/4

Seasons Averages

Seasons Averages	The Cotlook A Index
2011/12	100.00
2012/13	87.90
2013/14	90.57
2014/15	70.78
2015/16	70.39
2016/17	80.60

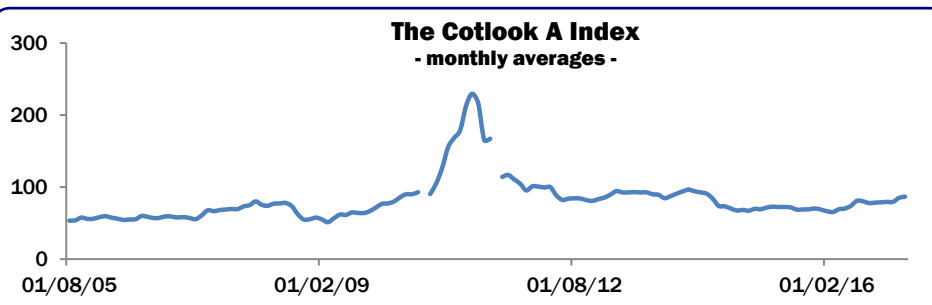
Monthly Averages

August 2016	80.26
September 2016	77.86
October 2016	78.50
November 2016	78.92
December 2016	79.50
January 2017	79.55
February 2017	85.15
March 2017	86.74

Daily Values 2016/17

March 03	85.75
March 06	87.10
March 07	88.10
March 08	87.10
March 09	87.10

Average for week 87.03



YARN INDEX

2005 = 100

This week	126.38	Last month	125.09
Last week	126.18	Last year	110.16

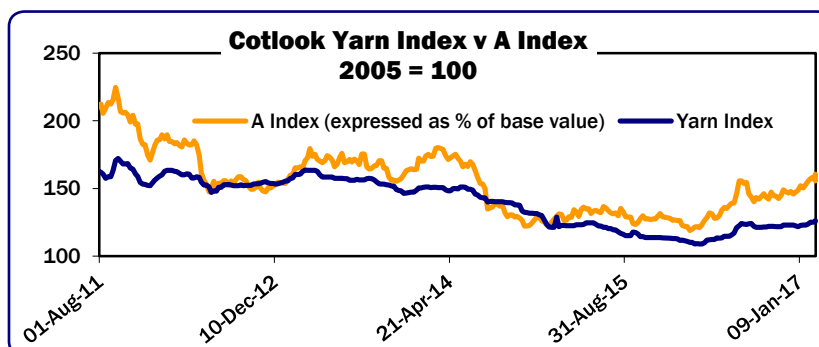
Export prices (in US dollars per kilo FOB)-

		This Week	Change on week	Change on year
Pakistan	20s	2.44	Unch	0.22
India	20s	2.45	Unch	0.35
Turkey	20s	2.90	Unch	0.35
Indonesia	20s	2.56	Unch	0.06
China	21s	3.21	0.01	0.71
Uzbekistan	20s	2.20	Unch	0.10
Pakistan	30s	2.82	Unch	0.22
India	30s	2.75	Unch	0.40
Turkey	30s	3.10	Unch	0.35
Indonesia	30s	2.85	Unch	0.05
China	32s	3.42	0.06	0.37
Uzbekistan	30s	2.50	Unch	0.20

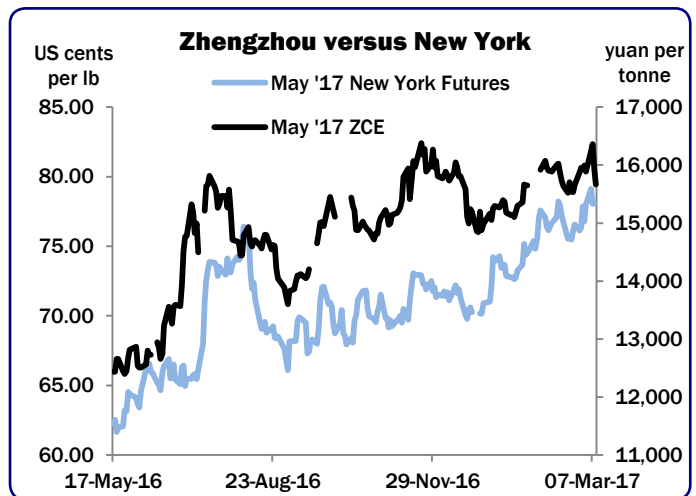
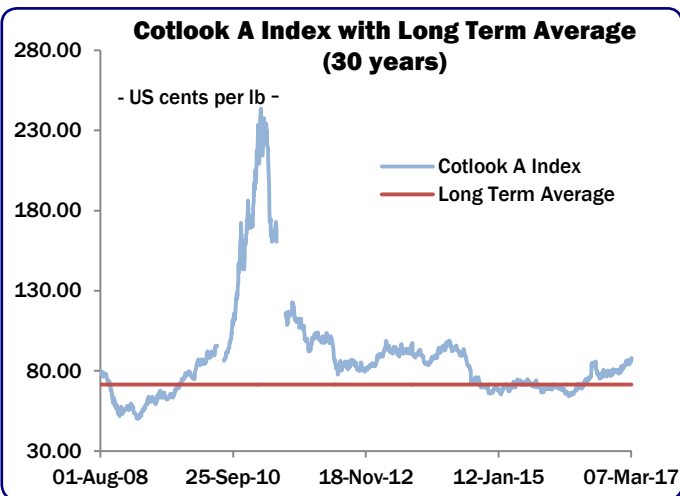
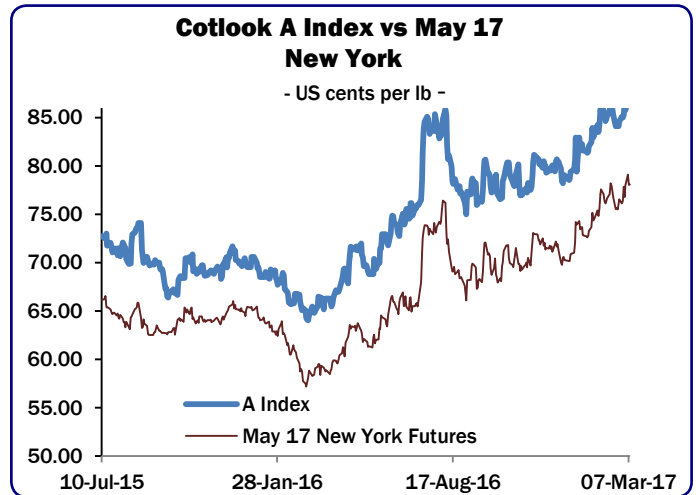
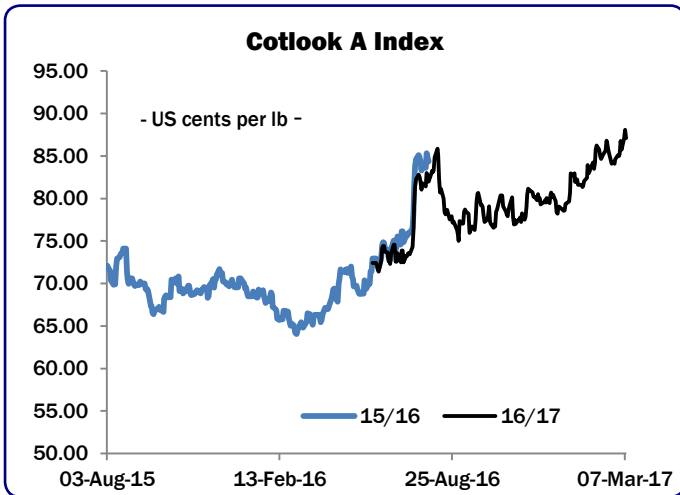
The Yarn Index is derived from our published FOB prices for 20s and 30s counts from India, Pakistan, Indonesia, China and Turkey, each weighted to reflect exports of cotton yarn from the individual country concerned, and expressing that as a percentage of the comparable average values for 2005. In determining the weightings, we have used an average of the

exports in the two most recent calendar years for which complete data are available. The prices shown for Uzbek yarn are not currently part of the Index, and are quoted on an FCA basis.

The current quotations are shown in the accompanying table, in US cents per kilo. They are for 'average quality' ring spin carded weaving single yarn.

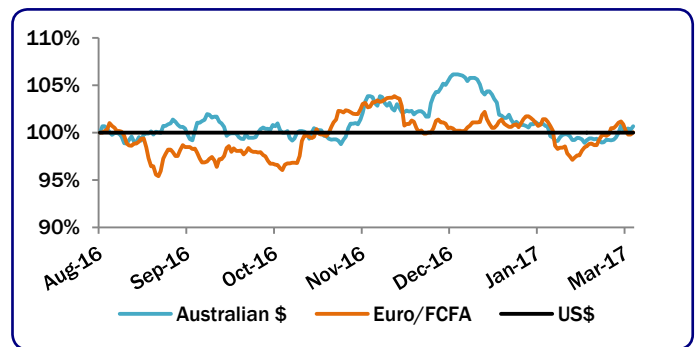
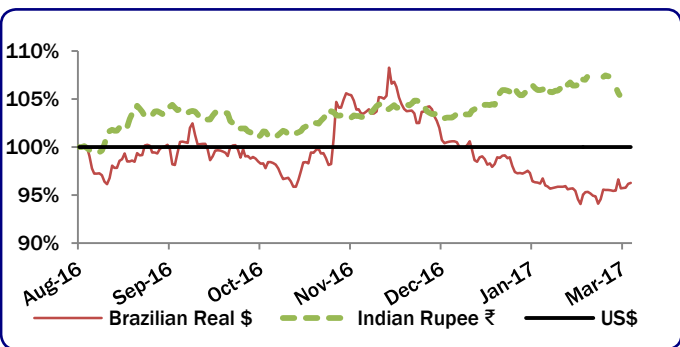


WORLD PRICE TRENDS

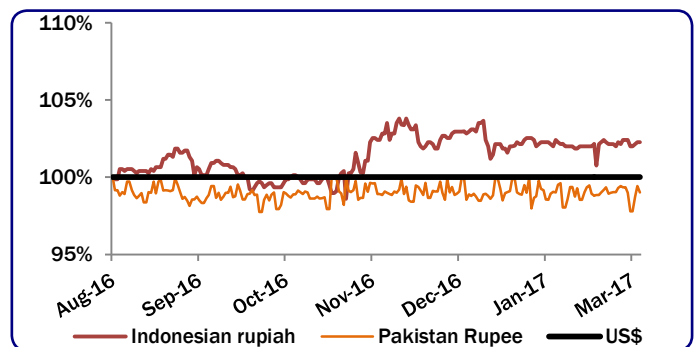
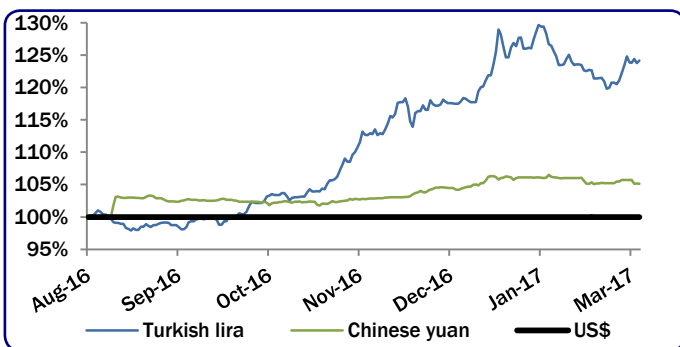


CURRENCY TRENDS

EXPORTERS' CURRENCIES VS. US\$ (AUG 1, 2016 = 100%)



IMPORTERS' CURRENCIES VS. US\$ (AUG 1, 2016 = 100%)



COTLOOK PRODUCTION ESTIMATE

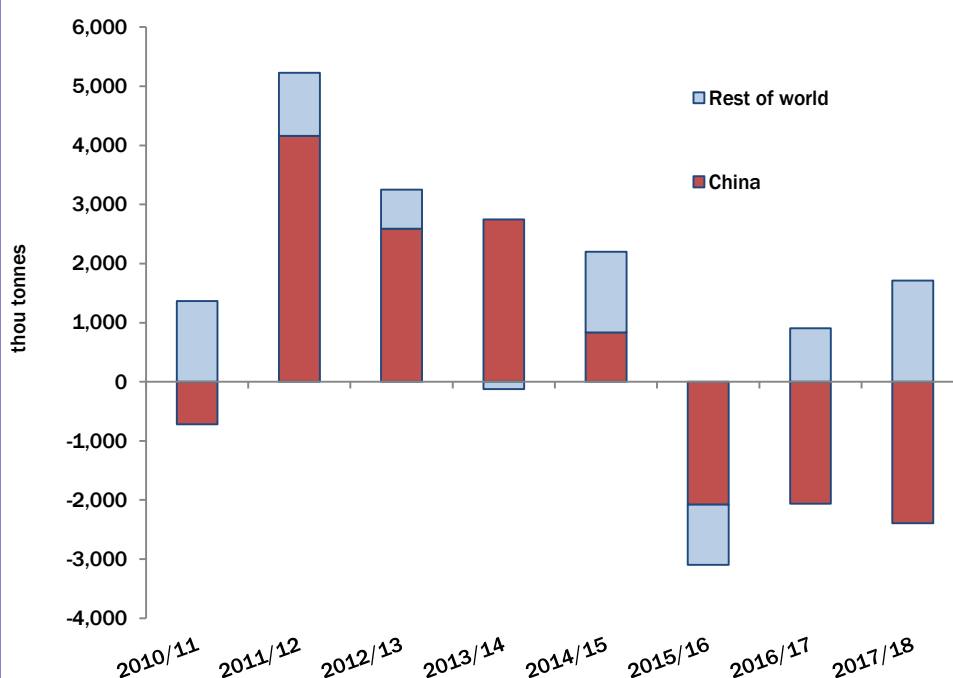
	(thousands of tonnes)	
	16/17	17/18
Argentina	170	200
Australia	1,000	975
Azerbaijan	32	35
Benin	150	158
Brazil	1,400	1,500
Burkina Faso	280	285
Cameroon	102	105
Chad	69	75
China	4,750	4,570
Colombia	20	25
Côte d'Ivoire	130	135
Egypt	41	75
Greece	220	270
India	5,865	6,290
Iran	65	60
Israel	14	15
Kazakhstan	62	65
Kyrgyzstan	9	9
Malawi	10	10
Mali	260	265
Mexico	142	150
Mozambique	25	25
Nigeria	50	50
Pakistan	1,665	2,000
Paraguay	5	5
Peru	27	25
Spain	50	55
Sudan	48	55
Syria	43	35
Tajikistan	82	88
Tanzania	43	60
Togo	35	36
Turkey	700	800
Turkmenistan	290	300
Uganda	26	28
USA	3,692	3,828
Uzbekistan	790	765
Zambia	35	40
Zimbabwe	32	35
World Total	22,684	23,764
World excl China	17,934	19,194
N Hemisphere	19,872	20,817
S Hemisphere	2,812	2,947
African Fr. Zne	1,033	1,069
Central Asia	1,233	1,227
EU	270	325

WORLD STOCK

The accompanying table shows our production and consumption estimates and the resultant adjustments in world stock levels during 2015/16 and 2016/17, together with our prediction for 2017/18. Where available, comparable data produced by the United States Department of Agriculture and by the International Cotton Advisory Committee are also shown. Cotlook does not attempt to estimate actual stock levels.

World Cotton Balance Sheet									
Unit = 1,000 tonnes	World (excl. China)			China			World		
	15/16	16/17	17/18	15/16	16/17	17/18	15/16	16/17	17/18
Cotlook									
Production	16,054	17,934	19,194	4,530	4,750	4,570	20,584	22,684	23,764
China net trade	-944	-890	-940	+944	+890	+940			
New Supply	15,110	17,044	18,254	5,474	5,640	5,510	20,584	22,684	23,764
Consumption	16,130	16,139	16,542	7,550	7,700	7,900	23,680	23,839	24,442
Net change in stock	-1,019	+905	+1,712	-2,076	-2,060	-2,390	-3,096	-1,155	-678
USDA									
Opening stock	9,756	8,411	8,948	14,570	12,671	10,625	24,325	21,082	19,573
Production	16,215	18,054	18,506	4,790	4,899	5,008	21,005	22,953	23,514
China net trade	-931	-958	+1,067	+931	+958	-1,067			
New Supply	15,284	17,096	19,573	5,721	5,857	3,941	21,005	22,953	23,514
Consumption	16,603	16,606	16,765	7,620	7,893	8,056	24,223	24,499	24,821
Other adjustments	-26	+47	-2,133	+0	-10	+2,134	-25	+37	+1
Ending Stock	8,411	8,948	9,623	12,671	10,625	8,644	21,082	19,573	18,267
Net change in stock	-1,345	+537	+675	-1,899	-2,046	-1,981	-3,243	-1,509	-1,306
ICAC									
Opening stock	9,407	8,087	8,610	12,917	11,160	9,270	22,340	19,247	17,880
Production	16,277	17,950	18,300	4,753	4,740	4,810	21,030	22,690	23,110
China net trade	-931	-944	-1,054	+931	+944	+1,054			
New Supply	15,346	17,006	17,246	5,684	5,684	5,864	21,030	22,690	23,110
Consumption	16,683	16,460	#####	7,442	7,590	7,670	24,125	24,050	24,330
Other adjustments	+17	-23	-6	+1	+16	+6	+2	-7	+0
Ending Stock	8,087	8,610	9,190	11,160	9,270	7,470	19,247	17,880	16,660
Net change in stock	-1,320	+523	+580	-1,757	-1,890	-1,800	-3,093	-1,367	-1,220

Apparent Changes in World Stocks



CHINA

State reserve auctions

The base price during the first week (commencing March 6) of the 2017

state reserve sales auction, calculated by reference to the

average of two domestic price indices and the Cotlook A Index, was set at 15,358 yuan per tonne. This week's running calculation (which can be found each day in Cotlook Cottonquotes) portends a modest rise in next week's value.

The quantities sold during the first four days of the auctions are shown in the accompanying table. On March 9, the aggregate volume offered for sale was increased slightly, to 32,091 tonnes. The average prices paid have tended to decline, partly influenced by the sharp reversal shown in Zhengzhou cotton futures on March 8.

On the first day of the auctions, more than two-thirds of the quantity sold was purchased direct by textile mills. Subsequently, the share taken by traders has increased. The average so far is roughly 60 percent mills and the balance traders.

Although details of this year's state reserve sales are roughly unchanged from last year, the market environment and situation have changed significantly and observers contend that spot prices for state reserve low grades will face downward pressure in view of quality flaws after four to six years of storage. The spread between high and low grade styles is currently around 800/1,000 yuan per tonne.

2017 CNCE meeting

The third meeting of the China National Cotton Exchange (CNCE), held in Beijing last week, addressed the theme of 'supply-side structural reform in agriculture and development prospects for the domestic cotton industry'. Nearly 800 guests from cotton textile enterprises, financial sectors, investment agencies and organisations at home and abroad attended the annual meeting.

Wang Zhengwei, Chairman of the CNCE, gave a warm welcome to all the attendees and noted that the increase of comprehensive agricultural benefits and competitiveness will be the main goals of the reform and perfection of domestic agricultural policy.

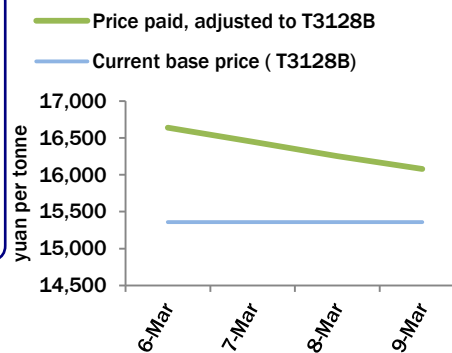
The domestic cotton industry has been developing against a background of supply-side structural reform in agriculture. Now, the three-year Xinjiang cotton target price reform trial is about to expire. Yang Jianping, chairman of China Co-op, noted that although supply-side structural reform has made important progress, and the domestic economy has been running smoothly, there remain four principal challenges: to accelerate de-stocking, to optimise the cotton industry's structure, to improve circulation and to upgrade the quality of cotton goods. He suggested that government should seek to perfect a supportive policy for cotton production that includes a long-term and effective mechanism for cotton production, inclusive of the 'mainland'.

Wang Shengmin from the National Development and Reform Commission (NDRC) reiterated the achievements of Xinjiang's cotton target price reform, which has protected growers' interests and boosted employment in the region.

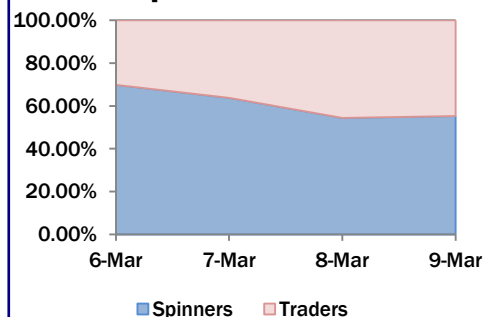
The Secretary-General of the China Cotton Association (CCA), Wang Jianhong, reviewed the general situation of the domestic cotton industry in 2016 and introduced the balance sheet of the current season. CCA predicts that national planting area will increase by 3.2 percent compared with 2016. The Association has made suggestions to the State Council regarding measures for stabilising the cotton industry, namely the further development of the target price system in Xinjiang and in the 'mainland', the methods of subsidy payments in Xinjiang, the normalisation of state reserve sales and exploration of methods for improving

State reserve daily sales

Crop year	2011	2012	2013	All	%age of catalogue
6-Mar	2,480.52	17,732.97	9,955.87	30,169.36	100.00%
7-Mar	1,848.84	17,850.06	10,332.51	30,031.41	100.00%
8-Mar	1,958.98	18,490.27	9,412.15	29,861.40	99.54%
9-Mar	1,700.48	17,298.45	12,152.32	31,151.24	97.07%
Running totals	7,988.82	71,371.74	41,852.84	121,213.41	99.12%



Proportions taken at auction



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foreign trade in cotton. He also mentioned the necessity for Xinjiang long staple exports to be permitted and suggested the introduction of a long staple export quota system.

New target price policy anticipated

Insiders note the high praise afforded to the trial three-year target price policy in Xinjiang by officials from the NDRC during the CNCE's event. The conjecture is that an updated version of the policy may be released before the end of this month and that it will be designed to have a longer duration, rather than be subject to annual adjustment. A target price might be set that is increased slightly from the current level.

Ministry of Agriculture forecast

Latest data from China's Ministry of Agriculture indicate that cultivated area in 2016/17 was 46,500,000 mu (3,100,000 ha), giving a total output of 4,720,000 tonnes, and place imports at 900,000 tonne. The figures are unchanged from the previous forecast. However, consumption has been increased by 50,000 to 7,590,000 tonnes, with the result that the Ministry's assessment of this season's ending stocks has been lowered commensurately, to 9,130,000 tonnes. The Ministry also predicts that domestic lint prices will continue to rise steadily in the remainder of this season.

Xinjiang report

Machine-picked area may rise in 2016/17

BCO's next crop forecast and supply and demand estimates should be forthcoming shortly after this edition has gone to press. However, survey results indicate that cultivated area in Xinjiang will increase by five to ten percent this year, owing to the favourable returns obtained by farmers. That increase may involve especially land devoted to machine-picked cotton, given the improvement in quality parameters and relatively lower costs.

Long staple supply

Various estimates continue to circulate as to the volume of long staple production this season. Data show inspections of 159,700 tonnes by March 5. As previously reported, however, a considerable quantity (some say at least 30/35,000 tonnes) is taken direct by Xinjiang spinners, who make their own inspections. Hence, a total final output figure closer to 200,000 tonnes is considered realistic.

Prices of long staples have maintained a stable tendency during the past week. Most types remain unchanged in price. The benchmark value for Type 137 is still quoted at around 21,500 yuan per tonne, equivalent to 105.51 US cents per lb. Type 136 decreased slightly to 20,800 yuan per tonne.

Inspections and ginnings

By March 6, almost 4,010,000 tonnes of Xinjiang cotton had been pressed, 14.4 percent more than during the same date last year, comprising 67.9 percent from the local cooperative system, and 32.1 percent from the PCC (army group). Of the total, 3,846,607 tonnes had entered local warehouses, up by 15.6 percent, year-on-year.

A day earlier, the figure given for inspections in Xinjiang was 3,933,900 tonnes, from a national total of 4,091,800 tonnes, the latter being equivalent to slightly over 86 percent of BCO's February crop forecast.

Inspections during February totalled 65,646 tonnes. Most quality parameters showed a significant deterioration from the previous month.

Road transport continues to accelerate

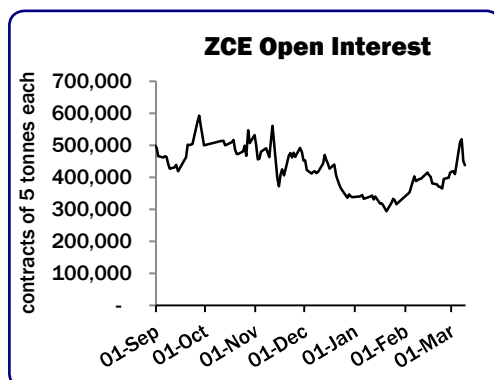
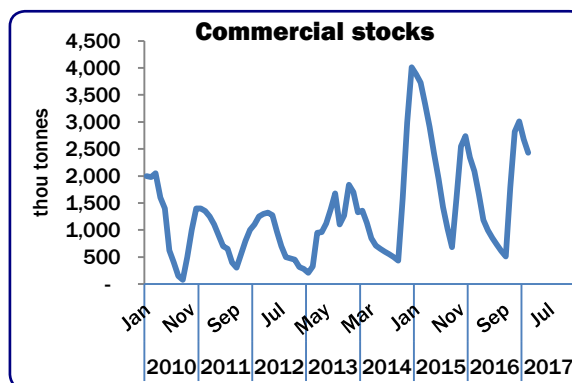
The quantity transported eastward from Xinjiang during the period from September through to the end of February was 2,008,200 tonnes, down by 148,200 tonnes, or minus seven percent, year-on-year. However, as previously reported, the pace has since been increasing, as most local ginneries have been anxious to clear stocks in advance of the commencement of state reserve sales. During February, the figure moved was 495,700 tonnes, of which 309,300 (up by 198,100 year-on-year) were by railway and 186,400 (+135,700) by road. Last week, road movements were 85,000 tonnes, 16,800 tonnes more than in the previous week and 53,400 tonnes more than during the same period last year. The bulk (51,700 tonnes) was destined for three eastern provinces: Shandong (28 percent), Henan (27 percent) and Jiangsu (14 percent).

Commercial inventory

Beijing Cotton Outlook (BCO) reports that commercial inventories nationwide (excluding stocks held by spinners and those in the state reserve) by late February totalled 2,429,800 tonnes, 248,200 tonnes (or minus 9.3 percent) less than in January, but 34.38 percent more than during the same month last year. The total consisted of 1,777,500 tonnes in Xinjiang (down by 46.69 percent on the month), 587,900 tonnes in the 'mainland' (up by 21.66 percent), and 64,400 tonnes at ports (up by 0.21 percent).

Market prices

On the first day of the state reserve sales programme, turnover, open interest and certified stocks in the Zhengzhou cotton futures market all rose sharply and further gains continued as the week progressed. The September



	Settlement			Volume*	Open Interest
	yuan per tonne				
	02-Mar	09-Mar	Chng	Past Week	09-Mar
Mar	15,775	15,475	-300	2,520	9,084
May	15,990	15,665	-325	1,683,122	306,602
Jly	16,075	15,880	-195	152	322
Sep	16,410	16,115	-295	293,468	100,954
Nov	16,375	16,060	-315	964	1,070
Jan	16,685	16,320	-365	30,766	19,894
				2,010,992	437,926

*Counting both the sale and the purchase.

and January months settled at successive, life-of-contract highs.

On March 8, however, the market underwent a strong reversal, led partly by international influences and partly by the withdrawal of speculative funds. In the latter connection, reaction to a government document ('work report') concerning stabilisation of commodity markets was considered influential.

The forward premium from May to September has remained intact (standing at 450 yuan on March 9). That between September and January on the same date stood at 205 yuan. Turnover has been volatile.

Meanwhile, having climbed to 519,448 contracts on March 8 (the highest since November last year), open interest has fallen back sharply, doubtless reflecting the movement of speculative funds.

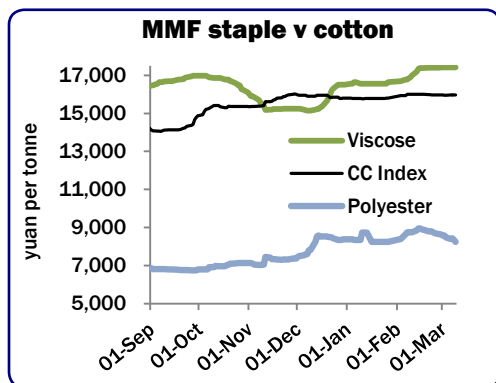
The certified stock has continued to rise, reaching a new high for the season (over 2,400 lots, each of 185 bales, ±5) on March 9 and in fact touching the highest point since 2011/12.

Average prices on the **China National Cotton Exchange** have mirrored ZCE's bullish phase and subsequent collapse, with the result that prices ended the period under review with relatively modest losses from a week earlier.

Prices in the spot market for current crop supplies increased on the back of movements in the electronic markets and also on grounds of quality availability. Purchases have continued to be made mainly by Xinjiang spinners, though the inclination of 'mainland' traders to accumulate higher grades has persisted. Both groups consider that remaining top grades will be absorbed quickly, given their paucity in state reserve lots.

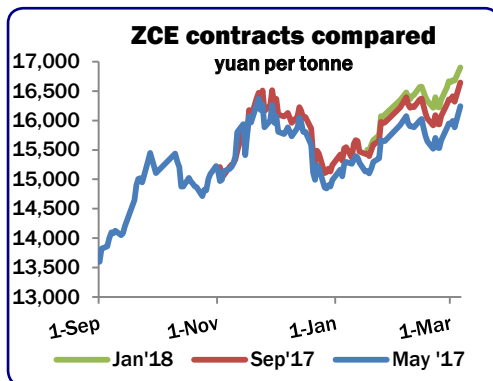
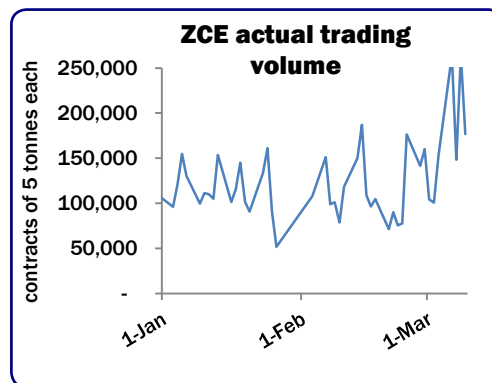
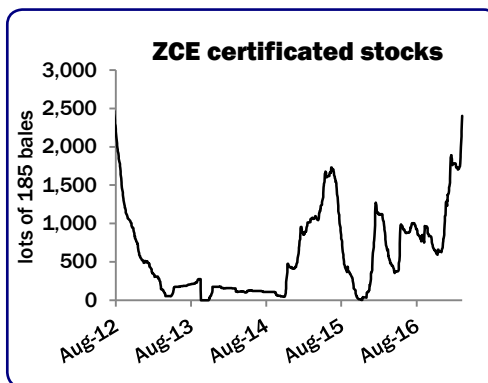
The **China Cotton (CC) Index** (basis Type 3128B) ended on March 9 at 15,975 yuan per tonne, versus 15,955 a week earlier.

In the **man-made** fibres, the typical price for polyester staple is shown to be lower on the week, at 8,250 yuan per tonne, versus 8,575 yuan. The current rate is equivalent to less than 52 percent of the cotton price (as measured by the CC Index), which is the lowest since early December last year. The going rate for viscose staple is given as unchanged, at 17,420 yuan, or nine percent above the CC Index.



GDP and CPI growth target

National Bureau of Statistics (NBS) data show that the Consumer Price Index (CPI) in February increased



CNCE				
09 March 2017				
Delivery	Turnover	Average	Change	US cents
in tonnes	in tonnes	price in	on week	per lb
		yuan per		equiv.
		tonne		
Type 328 (domestic 'MA')				
Mar	2,710	15,010	-137	99.20
Apr	4,090	15,240	-60	100.72
May	5,510	15,290	-20	101.05
Jun	6,670	15,328	-28	101.30
Jul	7,230	15,408	-99	101.83
Aug	6,000	15,451	-60	102.12
Total	32,210			

International Prices

Data as at 9 March, 2017

	Yuan per	Approximate delivered mill value	
	tonne equiv.	Including one	including 40
	+ insurance	percent tariff +	percent duty &
		13 percent VAT	13 percent VAT
Cotlook A Index	13,645	15,516	20,953
Texas SM	13,782	15,672	21,170
Uzbek SM	14,390	16,367	22,132
Australia SM	14,276	16,236	21,952
Burkina Faso BOLA/s	13,896	15,803	21,350
India Shankar-6	13,478	15,325	20,689
Benin KABA/s	13,896	15,803	21,350
Cameroon IRMA/s	13,972	15,889	21,470
Cameroon PLEBE 1-5/32"	14,238	16,193	21,891
Ivory Coast MANBO/s	13,896	15,803	21,350
Mali JULI/s	13,972	15,889	21,470

China domestic prices	yuan/tonne	chg on last published	cents/lb
CC Index	15,975	20	105.58
CNCE March	15,010	-137	99.20
ZCE March	15,475	-300	102.28

State Reserve calculation	yuan/tonne	cents/lb
Base Price week ending March 10	15,358	101.50
Running average week to date	15,548	102.76

	yuan/tonne	chg on week	cents/kilo
polyester	8,400	-175	122.39
viscose	17,420	-	253.82
	Yuan/kilo		cents/lb
32s carded yarn	23,095	20	335.73
40s combed yarn	24,810	-	360.66
Monthly yuan/dollar customs exchange rate			6.8632
Actual Rate (Mar 9)			6.8790

by 0.8 percent compared with the same month a year earlier, but was down by 0.2 percent from the previous month. An official analyst has attributed the unexpected decline to a fall in food prices and a decline in tourism as a result of seasonal factors after the holiday period. However, the Producer Price Index (PPI) maintained a strong upward trend, increasing by 7.8 percent from a year ago, and up by 0.6 percent from a month earlier, reflecting a continuous increase in enterprises' raw material costs.

In the opening meeting of the fifth session of the 12th National People's Congress, Premier Li Keqiang delivered the

government's annual working report that summarises China's achievements in the past year and sets new social-economic development targets for the coming year. Despite an adverse external environment and severe internal structural issues, GDP expanded by 6.7 percent in 2016 to 74.4 trillion yuan (\$10.79 trillion), accounting for 15 percent of world GDP and 30 percent of its net growth. Meanwhile, the CPI rose by only two percent and industrial profitability rebounded substantially, indicating a remarkable improvement in industrial efficiency and boosting confidence in the Chinese and world economies. Premier Li foresees growth in GDP during 2017 of around 6.5 percent (0.2 percentage points lower than in 2016), and expects the CPI to rise by three percent (up by one percentage point).



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On October 2nd & 3rd, 2017, world cotton leaders will gather together in Deauville (Normandy), France.

Registration will start on Monday 2nd in hotel Normandy.
A welcome drink will be served at 18.30

On Tuesday October 3rd the French Cotton Association (AFCOT) will be holding jointly with the African Cotton Association (ACA) its annual conference followed by a networking lunch and the traditional AFCOT gala dinner.

Join us and be part of this conference and dinner!
For more information, or to register,
please contact the AFCOT's secretariat at: info@afcot.org
The complete programme will be soon released
on our web site at www.afcot.org

Places are limited due to venue capacity and early booking is recommended.

AFCOT, together since 1890

RUSSIA

Official statistical data reveal that some 61,000 tonnes of raw cotton were imported during the 2016 calendar year, which indicates a further decline in the spinning industry and continuing the trend that has been apparent for some time now. Our projection for consumption this season (August through July) currently stands at around 55,000 tonnes.

It is anticipated that the state reserve will release into the local market some 28,000 tonnes from old crop stocks, possibly from before the 2010/11 season and will include cotton from various origins in Central Asia. Offers of such cotton are already evident in the market at prices somewhat lower than those prevailing for remnants from current crop supplies.

Imports of yarn continue to rise. The figure in 2016 was around 145,000 tonnes with the leading suppliers having been Uzbekistan and Turkmenistan.

For Uzbekistan, Russia is now an important market for the distribution of its textile products. A separate report published by the Ministry of Industrial Trade indicates that the supply of yarn from Uzbekistan in 2016 increased by three percent, year-on-year, that of cotton fabrics by 55 percent, knitted fabrics by 69 per cent and finished goods by 11 percent.

TURKMENISTAN

Export sales of current crop have now reached some 121,000 tonnes of upland and 14,500 tonnes of long staples. The last active trading was registered during the auction at the State Commodity Exchange on February 23rd. According to the trade's view, only small volumes from the current crop now remain to be sold.

PAKISTAN

The PCGA's latest data, for the second fortnight in February, show that this season's seed cotton arrivals are almost finished. The seed cotton equivalent of only a few thousand more bales is expected to arrive by the end of the season. Seed cotton prices for the token stocks that are available remain very firm and have been quoted between Rs. 3,350 and Rs. 3,750 per 40 kilos, depending on the quality.

Temperatures in the early sowing areas of lower Sindh have moved slightly higher and field reports indicate that some ground preparation for early cotton sowing, as well some extremely modest pockets of planting, have taken place. However, planting in Sindh, in general, is expected only to pick up pace from the beginning of April, while in Punjab it will commence during the second half of that month.

Local cotton rates continue firm trend

Prices for the remaining desirable cotton lots have remained firm, on tight local supply considerations. Perhaps only around 500,000 bales of all qualities are unsold. Spinners continue to express discontent at the lack of operating margins in spinning at present raw cotton replacement costs.

On March 8, 'better quality' new crop cotton attracted between Rs. 6,800 and Rs. 7,150 per maund (roughly 79.15/83.25 US cents per lb), ex-gin, up Rs. 100 compared with last week, while a small volume of lower grades moved off at between Rs. 6,000 and Rs. 6,500.

On the same day, the Karachi Cotton Association's official spot rate for 2016/17, Grade III (Staple: 1-1/16" & Micronaire: 3.8/4.9 NCL) was quoted at Rs. 6,750 per maund, ex-gin, (plus Rs. 100).

Low demand for imports on price considerations

A subdued level of mill enquiry for foreign growths has been witnessed over the past few days. As imported cotton prices followed the recent rises in ICE futures, most mills were reluctant to chase market levels higher. However, some retail business in Indian cotton has continued, with selective gap-filling buying from a few mills. Prices have been paid of between 83.50 and 86.50 cents per lb, CFR Karachi, depending on the specifications. Business in US new crop, 41-4-36 'green cards' has continued at around 950 points 'on' December ICE futures. Fine count spinners have covered some very modest volumes of Turkmen ELS.

Yarn and textiles

Local yarn demand has witnessed a slight improvement of late and spinners have noted a marginally better off take from both weavers and knitters. Downstream manufactures with urgent requirements have been obliged to cover at the prevailing prices. However weavers and knitters complain that flat cloth prices make it difficult for them to absorb higher yarn prices.

By contrast, export yarn demand has failed to improve over the last few days. Foreign buyers have maintained low price ideas, rendering margins unattractive on export sales.

Offering rates for 20/21s carded yarn have been unchanged at around US\$430.00/455.00 per 400 lb bale, FOB, while those for 30/32s carded yarn are also maintained at US\$500.00/525.00.

Polyester staple fibre prices have been held at Rs. 128/130 per kilo, unchanged compared with last week.

Textile exports during July/January year-on-year, continue to show a decline

According to the Bureau of Statistics, exports of textiles and garments, during July/January (the first seven months of the 2016/17 fiscal year) declined by 1.54 percent to US\$7.225 billion, compared with US\$7.338 billion during the corresponding period a year earlier.

In quantity terms, exports of cotton yarn at 275,122 tonnes, rose by 5.66 percent, compared with a year earlier, whereas those of cotton fabric, at just over 1.109 billion million square metres, showed a decline of 13.80 percent.

Knitwear, at 72.166 million dozen pieces, continued to show a gain (though less than previously, percentage-wise), whereas bed wear, at 204,663 tonnes, advanced by a sturdy 9.28 percent. Ready-made garments, at 18.834 million dozen, increased by 2.94 percent.

In terms of US dollar value, proceeds from the exports of cotton yarn and cotton fabric fell, respectively, by 5.88 percent to US\$744 million and by 5.24 percent, to US\$1.234 billion. The revenues from bed wear registered growth of 5.07 percent, to US\$1.226 billion, whereas towelling was down by 6.38 percent, at US\$440 million. The export performance of knitwear, at US\$1.393 billion, was almost unchanged, whereas ready-made garments at US\$1.302 billion were up, year-on-year, by 4.17 percent.

BANGLADESH

Spinners' buying enquiry during the period under review has focused on the customary supplies of US, Australian, Central Asian, Indian, West African (afloat) and Brazilian. However, most mills have been pre-occupied with 'on-call' contract fixations, while looking for pullbacks in the market to purchase their additional 2016/17 requirements. The strength in ICE futures and subsequent firmer shippers' asking rates later in the reporting period have generally precluded the confirmation of any significant mill purchases.

Earlier in the week, business was recorded in Togo Type ALTO/s, 1-1/8", at 88.25 cents per lb for prompt shipment, Indian MCU-5, 31mm, at 88.00 cents for March, Kazakh SM, 1-1/8", at 86.00 cents for April and Australian SM, 1-1/8", at 1,650 US cent points 'on' December ICE futures, for July and at 90.50 cents, fixed-price, for August. Fine count spinners have covered some further small volumes of Indian DCH-32, 35mm, at 113.00 cents per lb, for March.

Offering rates for Central Asian high grades, 1-1/8", from the diminishing supplies in local warehouses have, once again, ruled firmer, to between 91.00 and 93.00 cents per lb at the top-end, while those for Indian MCU-5, 30 mm, have increased to between 88.00 and 90.00 cents per lb. Shankar-6 has typically been available, ex-warehouse, at around a cent less than MCU-5.

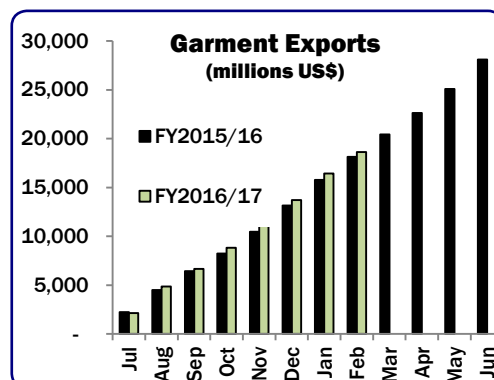
Yarn and textiles

The mid-point of the range of local yarn selling rates has been held at around the same level as last week. Carded 30s have commanded around US\$3.00 per kilo.

Ready-made garment export earnings

According to the *Export Promotion Bureau* (EPB), garment export earnings continued to grow during February, year-on-year, but recorded a decrease of around six percent from the January 2016 number.

Overall, earnings during the first eight months of the 2016/17 financial year



beginning July 1, at US\$ 18,639 million, showed a 2.82 percent increase, compared with the same eight-month period a year earlier.

Woven garment exports were somewhat subdued during February and grew by less than one percent during the eight months period to US\$9.563 billion, compared with nearly US\$9.484 in the same timeframe a year earlier. The rise in woven apparel was once again surpassed by the knitwear sector, whose earnings rose by just over five percent, year-on-year, to US\$9,076 billion, from just short of US\$8.644 billion a year earlier.

INDIA

Local prices firm sharply

Nearby MCX futures fluctuated higher this week, to end the reporting period firmer on balance. The lead March contract closed on March 8 at ₹21,550 per bale, or ₹45,080 per candy (86.10 US cents per lb). The nearby price on MCX has increased by over ten percent since the beginning of 2017. By comparison, international prices as measured by the Cotlook A Index have risen during the same timeframe by around ten percent.

Cumulative turnover increased, to 522,925 bales, compared with 356,250 during the previous period.

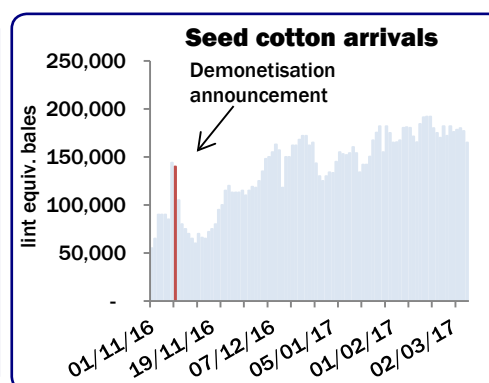
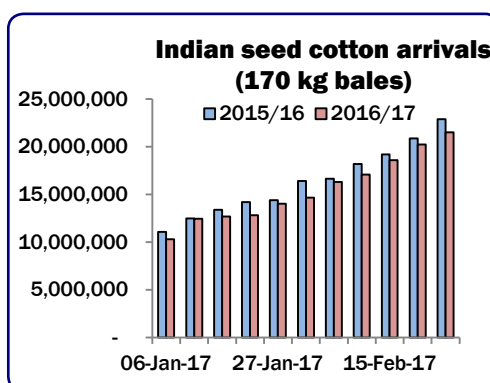
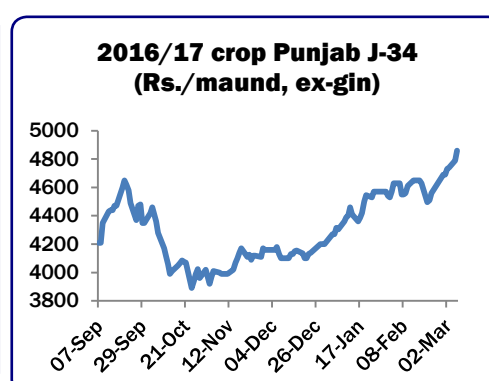
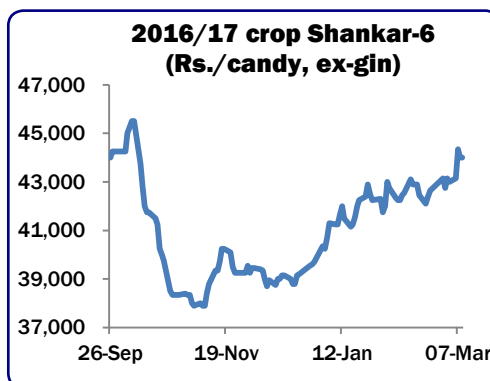
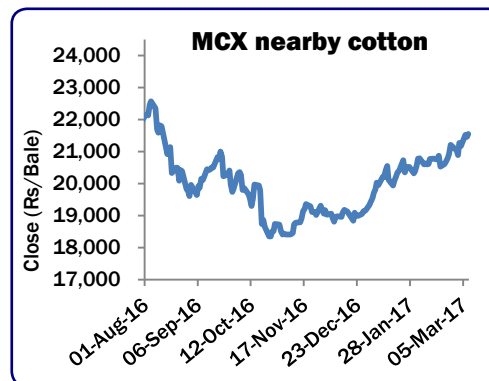
The mid-point of interior asking rates for Shankar-6 increased sharply this week, to reach its highest level since early October, on March 7. Prices subsequently slipped to end the period at ₹44,000 per candy, ex-gin, equivalent to 84.20 US cents per lb, at the prevailing exchange rate. Punjab J-34 also advanced, settling at subsequent seasonal highs, before reverting slightly to close at ₹4,840 per maund (88.30 cents per lb).

In press reports this week, market observers have suggested that the raw cotton export figure in the current season may be impacted by Indian cotton's uncompetitive position on the international market, as well as reduced import demand from China and high domestic offering rates. Indian shippers have apparently cancelled some export orders, owing to more remunerative prices on the local market. Private estimates have envisaged total exports at perhaps 5.5 million bales, compared with 6.9 in 2015/16, representing a decrease of 20 percent.

CCI arrivals

Nationwide, daily seed cotton arrivals are estimated at around 170,000 lint equivalent bales (170 kgs), including 45,000 from Gujarat and 65,000 from Maharashtra. According to the Cotton Corporation, cumulative new crop arrivals by March 2 were estimated at 21,523,100 lint equivalent bales, including over five million from Gujarat and over six million from Maharashtra. The volume of arrivals by the same date in 2016 was 22,904,800 bales, representing a deficit in the current season of roughly 1.38 million, more than twice the 630,000 bales witnessed one week earlier.

The lag in Telangana, where protracted disruptions have interrupted supply, stands at over 1.65 million bales, representing a decrease from the previous season of almost 40 percent, compared with 44 percent witnessed on February 22.



EGYPT

2016/17 crop data

By February 16, the quantity of seed cotton classed, according to the Cotton Arbitration and Testing General Organisation, amounted to 640,614 seed cotton kantar (100,897 tonnes), compared with 1,037,950 kantar (163,477 tonnes) by the same date in 2016.

Alcotexa approves exports of 'E.T.'

Sales of 'exporters' types' were approved recently, at minimum prices of 130.00 US cents per lb for extra-long staples, 115.00 for long staples and 95.00 cents for Upper Egypt varieties. Prior approval is required from the Government Commissioner's office in Alcotexa (the exporters' association) and public sector companies must also obtain permission from the Cotton and Textiles Holding Company. The decision took effect from February 26.

It is noted, however, that the 80,000 metric cantar (4,000 tonnes) remaining in the hands of public sector traders has been earmarked for consumption by public sector mills.

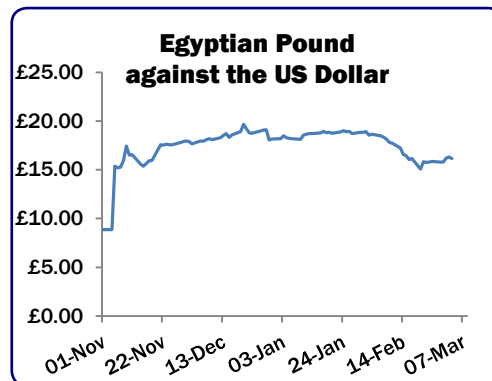
Export sales registrations

Export sales registered during the week ended March 4 amounted to 453.5 tonnes, comprising 25 tonnes of Giza 87 (at 170.00 US cents per lb), 271.5 tonnes of Giza 86 (at prices ranging from 121.15 for old crop, to as high as 152.00 cents) and 157 tonnes of Giza 90 (95 tonnes at 100.90 and 62 tonnes at 113.00 cents). Observers note that Giza 86 old crop is in demand on price grounds.

Cumulative commitments for shipment this season now stand at 29,891.7 tonnes, of which 18,097.7 tonnes have been shipped. The quantity of 'ET' committed earlier and already shipped is unaltered at 58 tonnes.

Currency fluctuation

Following last November's devaluation, the Egyptian pound held fairly steady against the US currency during December and January but has fluctuated more erratically in the past few weeks. Currency movements are considered a challenge by exporters.



Yarn and textiles

The currency devaluation has brought limited benefit to exporters, according to the Readymade Garments Export Council, being sufficient, generally, to offset cost inflation. Exports of clothing are predicted to rise in 2017 by around ten percent but this is merely half the typical annual gain in the period from 2006 to 2011.

Local sales by the public sector, which account for 75 percent of the domestic market, according to Dr. Ahmed Mustafa, chairman of the Holding Company, have increased 30 percent in the last three months, resulting in increased fibre consumption. Public sector mills are estimated to need raw cotton imports to the tune of 20,000/25,000 tonnes to meet requirements during the remainder of the season. Recent transactions (a month or so ago) included 250 tonnes of Sudan Bt cotton at 75.50 US cents per lb CIF and 150 tonnes of Greek at 96.00 cents.

The Ministry of Finance has allocated E£98.5 million (currently equivalent to around US\$6.1 million) to the Holding Company to contribute to the financing of the wage bill for public sector companies during February. As part of the reform plan, adjustments to the boards of some affiliated public cotton companies will take place during late March or early April.



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SOUTH AFRICA

Second crop estimate

Cotton South Africa's second estimate of the 2016/17 crop has been established at 75,040 bales (of 200 kilos), which is slightly over 48 percent above the final outturn of 50,557 achieved in the preceding season. Of the total, 73,040 bales are attributed to prospective output in the Republic, and the balance to Swaziland.

AFRICAN COTTON ASSOCIATION MEETS IN NAIROBI

The 15th annual meeting of the African Cotton Association began on March 8 in Nairobi, Kenya. The event as usual attracted participants from across the African continent and the wider international cotton market.

In the margins of the formal proceedings, discussions focused on the firm prices paid of late - at origin and by spinners in various import markets - for African Franc Zone cottons. The supply from the 2016/17 crops is depleted, and a promising start has been made to forward marketing of cotton from the 2017/18 crops. Several Franc Zone countries intend to increase plantings next season.

The meeting heard that African cotton's market share has been well maintained on several key markets, in part as a result of muted competition from India this season and in 2015/16. However, the prospect of increased cotton plantings there and in some other major producing countries justified caution with regard to the outlook for prices next season. Further forward, the eventual return of China as an importer of larger volumes from the world market was cited as a potentially bullish factor.

On a less positive note, several speakers referred to the continued stagnation of African yields, and the need to revive Africa's moribund cotton research sector.

FAR EASTERN MARKETS

Increases in ICE cotton futures, mirrored by a rise in shippers' asking rates - particularly for diminishing nearby supplies - have generally placed a dampener on spinner demand. As spinners face difficulties raising their cotton yarn prices, replacement raw material costs need to retreat from their current high levels so as to stimulate some greater mill buying activity. Reports of business from the Southern Asia region have been sparse, although purchases of US styles, for shipment during the second quarter and Brazilian, for forward shipment requirements have been highlighted.

During the past week, CFR **Taiwan** cotton transactions have included 108 tonnes of Mexican SLM 1-1/16", Micronaire 3.5/5.3 NCL, at 79.70 US cents per lb, for shipment March/April and 300 tonnes of US lower grade 'recaps' at 200 US cent points 'on' ICE May cotton futures, for April/May.

For Taiwanese-owned operations overseas, 1,000 tonnes of US Eastern/M/O/T Middling 1-1/8", G-5, 28 GPT minimum, have been purchased at 84.00 cents per lb, CFR HCMC for April/May. For destination Mexico, 77 tonnes of Mexican 'recaps' have been booked at 79.00 cents, CIP, for March/April. For destination Lesotho, 134 tonnes of Mexican SLM 1-1/8", G-5, 28 GPT minimum, have been arranged at 86.65 cents and 90 tonnes of Zimbabwe SM Light Spotted 1-3/32", G-5, 28 GPT minimum, at a cent less, CIP Lesotho for March/April.

Recently in **Indonesia**, business has involved Brazilian SLM 1-1/8", G-5, procured at 84.25 cents, for shipment nearby, US Eastern/M/O/T 'green cards' 31-3-37, G-5, at 87.00 cents, for April/May and Australian SM 1-3/32", G-5, at one cent more, for the same shipment.

During the week ended March 3, in **Japan**, little mention was made of much confirmed business, as shippers' asking prices were higher than those of most buyers, whose ideas were based on ICE futures below 70.00 cents. Total estimated volume was below 5,000 bales.

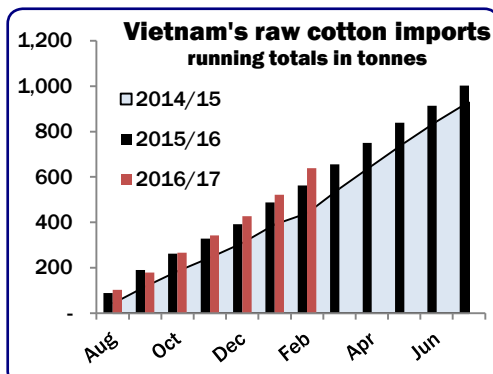
In **Thailand**, some US cotton has been bought for April/May (moving from origin) and some US lower grades arranged 'afloat'. This business was concluded prior to the sharp rise in ICE futures witnessed of late.

A couple of mills in **South Korea** have bought around 2,000 tonnes of Brazilian 2017 crop, for shipment during the second half of the year to their overseas operations.

VIETNAM

During February, Vietnam Customs recorded imports of raw cotton to the tune of 118,446 tonnes, of which 88,370 were attributed to imports by Foreign Direct Invested (FDI) enterprises. The cumulative total for the first two months of the calendar year thus amounted to 212,335 tonnes, versus a revised 169,545 tonnes during the same period a year earlier, while imports during the international cotton season (commencing August 1) amounted to 639,227 tonnes (the unrevised sum of the monthly totals), against 561,860 in 2015/16. The latter comparison represents a year-on-year gain of 9.5 percent, on the back of a gain of almost 28 percent the year before.

So far this season, the share of imports taken by US cotton has amounted to 59 percent, which is substantially more than double the proportion recorded in the comparable period during either of the two preceding seasons.



Vietnam's imports of cotton

	tonnes		
	2014/15	2015/16	2016/17
August/February			
USA	98,336	147,694	306,456
Brazil	75,185	89,201	77,979
India	69,184	77,003	78,422
Australia	58,676	67,954	69,977
Cote d'Ivoire	16,589	18,806	6,509
Pakistan	10,022	13,620	5,371
China	1,000	2,379	440
Indonesia	2,311	1,215	2,829
Argentina	15,647	1,361	3,593
Taiwan	1,039	425	320
Korea	1,456	1,100	1,330
Others	90,459	131,209	62,011
Total	439,904	561,860	615,237

UNITED STATES

May futures reach new contract high

May futures traded in a 76.32 to 79.46 cent range over the week ended March 8, reaching a new contract high of 79.46 cents/lb on March 6. Some cash sales were reported during the period and foreign mills showed additional enquiry for US bales from both the current crop and new crop. Supplies are tightening, with over four months left in the marketing year and new crop arrivals not due until October.

The spot month fell back to the middle to high end of its range on March 8, ending the reporting period at 78.09 cents/lb (+6). Out of the five sessions, the spot month settled higher over three days (+239) and lower over two days (-216) for a total net gain of 23-points during the period under review.

December futures held their ground relatively well, closing on slight gains Wednesday and weakening the July/December inversion to 358 points (383 points on March 1). That inversion has been an influence both on merchants looking to sell cotton before it hits, and on mills hoping to cover needs after a potential price drop.

March 2017 has its last trading day on March 9 (after the release of this publication). The delivery period was a non-event with 274 notices issued and stopped through March 8. March open interest was down to a remaining 21 contracts on March 7. Certificated stocks increased minimally, to 325,597 bales and leveled out with only 176 bales awaiting review as of March 8.

Total open interest increased to 273,357 contracts during the period under review. Volume increased this week with an estimated 162,569 contracts trading hands during the period.

Speculators increased their long and short holdings during the week ended February 28 by 1,880 and 375, respectively, for a resulting net long margin of 44.6 percent of the total open interest (266,379 on the reporting date). Commercial traders increased their long holdings by 612 and shorts by 3,400 during the week for a resulting net short position at 48 percent of the total open interest, slightly higher than the previous week.

Steady enquiry for US cotton

Merchants' and mills' price ideas have been one or two cents apart for much of the week, keeping some business at bay. Sporadic demand and enquiries for US cotton have nonetheless continued. Some traders have been inclined to await the release of USDA's March world supply and demand estimates, scheduled on March 9 at 1200 EST.

An additional 94,966 bales of 2016/17 crop upland were entered into the government loan program during the period ended February 28, according to the Commodity Credit Corporation. Repayments from the current crop amounted to 305,476 bales, while only 180 bales were redeemed from the 2015/16 season. The unpaid loan balance for both marketing years therefore fell by 210,690 bales to a total of 4,395,404, of which independent farmers controlled 373,955 and cooperatives and loan servicing agents held 4,021,449 bales.

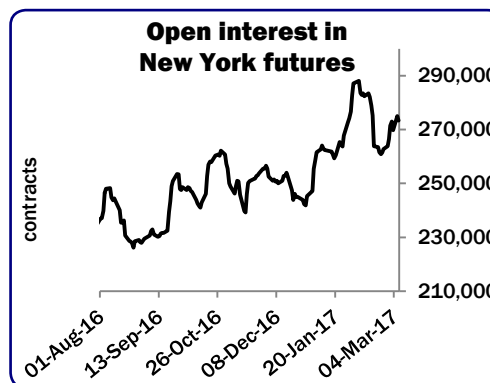
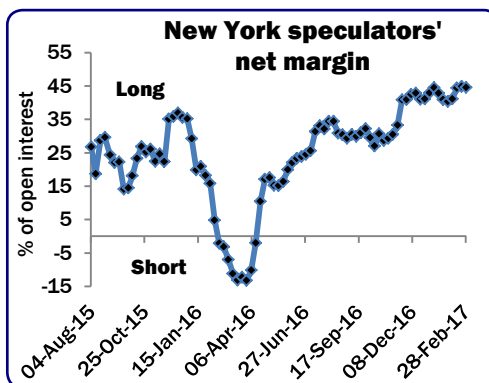
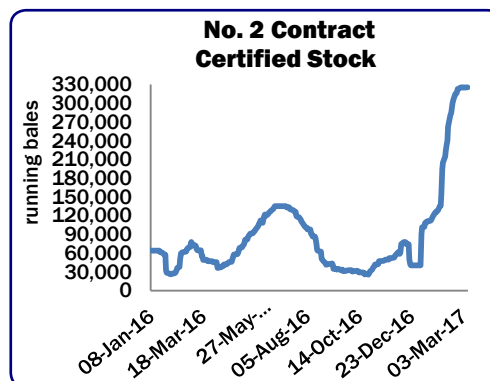
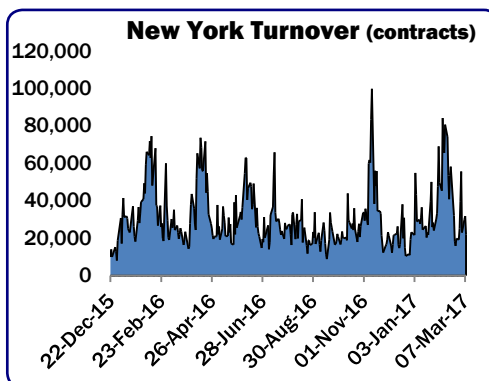
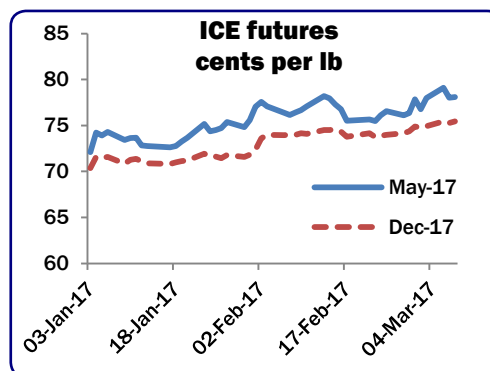
Spot market sales totaled 45,016 bales in the week ended March 8 (lighter than last week's 50,402 bales), advancing the season's total to 1,417,645 bales. Basis levels remain unchanged in all regions.

The Seam's grower sales totaled 16,451 bales, selling for 72.86 cents on average for the week. Business sales totaled 19,871 bales with an average selling price of 73.50 cents per pound.

Mid-South Farm and Gin Show

Cotton producers, marketers and other industry members attended the Mid-South Farm and Gin Show in Memphis on March 3 for the AgUpdate program.

National Cotton Council Chairman Ronnie Lee spoke to recent Council efforts



Grower To Business				
Region	Avg Price	Staple		Total
		34 or Less	35 or More	
Mfs Terr	78.88	137	747	884
Southwest	72.52	1,858	13,709	15,567
Total	72.86	1,995	14,456	16,451
Business To Business				
Region	Avg Price	Staple		Total
		34 or Less	35 or More	
Southwest	73.50	1,640	18,186	19,826
Far West	71.75	0	45	45
Total	73.50	1,640	18,231	19,871

on the importance of getting a cotton seed policy in place to provide the necessary support for US cotton producers. He emphasized how the ginning cost-share payout last year helped producers, but something more permanent needs to be in place.

He said "While this stop-gap measure provided some relief to the economic pressures in the cotton industry, it did not provide the longer term, stabilizing policy the industry needs. Thus, the Council sought a legislative opportunity to advance the cottonseed proposal prior to the next farm bill's development. And, while we have not been successful in the effort, we are continuing to pursue all opportunities in both the new Congress and with the new administration."

He also touched on man-made fibers and contamination issues and how the Council is approaching these.

Joe Nicosia, Executive Vice President of Louis Dreyfus Commodities, gave the US and world cotton outlook in which he emphasized that now is the time to plant cotton. With cotton prices increasing, US production needs to reach nearly 20 million bales by 2020, and worldwide acreage must also increase. He also put emphasis on increasing US cotton exports. The speaker attributed India's 'demonetization' policy, as well as, decreased export volumes from Pakistan and Uzbekistan, as having benefited US exports this season. In reference to world ending stocks, Nicosia said that they "are still high but are moving in the right direction".

Reiterating comments made at previous gatherings, he mentioned that China will have to import large volumes of cotton in the not too distant future. Mr. Nicosia said, "China will increase acreage at times, but not enough to solve supply problems. China will be a major importer of cotton for the rest of our lives".

His personal opinion on US cotton plantings for the upcoming season is 11.7 million acres (with the potential to increase), which is higher than both the NCC's suggested plantings at 11 million acres and USDA's 11.5-million-acre figure released a couple of weeks ago.

In reference to West Texas, which plays a huge roll in US cotton production, Nicosia noted that the region has an average abandonment of 20 percent but observed that the average is misleading, saying that "West Texas never has a 20 percent abandonment rate. It's more like 6 percent of 36 percent, depending on water. It's almost always one extreme or another and that could mean an aggressive price movement".

California drought continues to ease

Water shortages continued to ease in the **Far West** during the week ended February 28, as reported in the latest US Drought Monitor data. Nearly three-fourths of California is now drought-free, leaving 25.51 percent 'abnormally dry', 8.73 percent in 'moderate drought' and merely 4.08 percent suffering 'severe drought'.

Welcome snow has fallen in the Sierra Nevada Mountains, further increasing the winter snowpack. The California Department of Water Resources' latest survey shows that the snow water equivalent was at 47.6" as of March 8, which is 180 percent of normal for that date and 168 percent of the April 1 average.

		Basis Levels	2016/17
		2016/17	Option-to-Purchase
		cents per lb	Prices**
			cents per lb
Southeast	SLM 1-3/32"	even to 125 "off"	-
Memphis Territory	SLM 1-3/32"	125 to 250 "off"	-
Texas/Oklahoma	SLM 1-3/32"	300 to 350 "off"	-
Far West - SJV	Midd 1-3/32"	450 to 650 "on"	-
DSW - Arizona	Midd 1-3/32"	even to 150 "off"	-

May '17 New York Futures FOB railcar/truck - Southeast and Memphis Territory. FOB whse - Arizona uncompressed, California compressed.

** Premium required by growers to enter commitment to sell cotton held in the CCC Loan

American Cotton Shippers Association

International Cotton Institute
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	Samples Classed		Quality Comparison													
			Average Staple		Micronaire		Fiber Strength		SLM		Light Spotted		Middling & Higher		Tenderable in New York	
	32nds inch		(grams/tex)		SLM & Higher											
	2016 Season	2015 Season	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	02/03/2017	Total	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Southeast	3,644,268	3,658,950	35.8	35.6	4.6	4.7	29.8	28.6	18.4%	26.5%	4.1%	15.4%	57.3%	12.3%	74.5%	41.4%
Memphis Terr.	3,265,517	1,991,951	36.6	36.8	4.7	4.7	31.3	32.0	21.4%	12.6%	0.7%	3.0%	40.9%	32.3%	74.3%	59.9%
Southwest	8,461,213	6,010,143	36.2	35.8	4.1	4.1	29.5	30.5	14.2%	10.8%	5.1%	10.6%	51.8%	35.3%	69.5%	64.4%
Far West	637,105	442,517	37.6	36.9	4.3	4.4	32.6	32.0	5.4%	17.2%	2.6%	3.7%	69.8%	58.9%	82.0%	80.5%

US Upland Statistics

Open skies and warmer weather have returned to California's San Joaquin Valley, following light rain earlier in the period. Clear, dry conditions are forecast for the upcoming week, which will help soft soils firm. Abnormally warm readings for the time of year should raise soil temperatures, and consequently, planting of the 2017/18 crop is expected to commence as soon as they reach optimal levels. Growers have been readying equipment for the upcoming season.

Outside work is advancing in Arizona with little interruption. Planting is expanding in southwestern parts of the state under favorable conditions, and seeds are sprouting in some of the earlier-sown fields.

Sunny, dry weather prevails across **West Texas**. Wildfires were reported in parts of the Panhandle. The associated heavy smoke has limited field preparation in some areas. Unseasonably warm temperatures, ranging from the upper 70°s to the low 80°s (F), have been recorded for most of the period under review, further depleting soil moisture levels. An extended period of slow-soaking rains will be needed this spring to ensure area ponds and groundwater table levels are fully recharged. Producers have been working the ground in an attempt to help soils hold moisture and reduce erosion. Most of the region was drought-free as of February 28, but areas that were rated 'abnormally dry' were expanding.

Warm, muggy conditions have ruled across **South Texas**. Thunderstorms have been reported, and inclement weather remains in the near-term forecast. Widespread light rain is expected, with heavier amounts possible in isolated locales. Although the precipitation will help ease dry soils, it will hamper outside activities. The sowing season is underway in the Rio Grande Valley, and the rain will help enhance seed germination and early seedling development. Planters, though, will be idle for a few days, owing to soft soils. Moisture levels across South Texas deteriorated during the week ended February 28, ranging from 'abnormally dry' to 'severe drought'.

Spring-like weather has returned to the **Memphis Territory** late in the period, following intermittent thunderstorms. Severe storms were reported in some locales, with brief, heavy downpours, damaging winds and hail. Generally, light to moderate precipitation was received, making soils soft. Nevertheless, the precipitation will help improve groundwater table levels. Fertilizer and herbicide applications are at a standstill, and tractors are unlikely to resume work before next week as another storm system is in the near-term forecast. According to the US Drought Monitor map for the week ended February 28, soil moisture levels have declined across the Delta, with most cotton growing areas categorized 'abnormally dry'.

Much-needed rain recently fell in parts of the **Southeast**, helping ease dry soils but hampering spring field preparations. Soil conditions improved on the week in Alabama and Georgia, while a slight deterioration was reported in the Carolinas and Virginia. A wet spring is needed to alleviate drought-like conditions. Farmers are attending meetings and making plans for the upcoming season.

SPOT MARKETS

OFFICIAL QUOTATIONS FOR SLM 1-1/16" (41/4/34):

	Prices		Turnover (bales)
	(cents per lb)		
	08-Mar	01-Mar	
Southeast	76.84	(76.61)	0
N. Delta	75.59	(75.36)	884
S. Delta	75.59	(75.36)	0
E. Tx/Okla	75.00	(72.75)	15,977
West Texas	75.00	(72.75)	28,110
Desert Southwest	72.59	(72.36)	45
San Joaquin Valley	73.59	(73.36)	0
7 MARKET AVERAGE	74.89	(74.08)	

Turnover for the period ending Mar 8 45,016

Total turnover for season to Mar 8 1,417,645

Selected markets to Mar 8 (Mar 1 values in parenthesis)

NORTH DELTA

	Middling (31)	SLM (41)
1-1/16" (34)	76.34 (76.11)	75.59 (75.36)
1-3/32" (35)	76.84 (76.61)	76.09 (75.86)

Basis for SLM 1-1/16" (41/34):

NY No.2 May '17 -250

SAN JOAQUIN VALLEY

1-3/32" (35)	82.49 (82.26)	75.59 (75.36)
1-1/8" (36)	85.99 (85.76)	76.39 (76.16)

Basis for Midd.1-3/32" (31/35):

NY No.2 May '17 +440

WEST TEXAS

15/16" (32)	72.50 (70.25)	71.00 (68.75)
1" (33)	74.25 (72.00)	71.75 (69.50)
1-1/32" (34)	75.00 (72.75)	75.00 (72.75)

W. Texas Micronaire (cent points per lb):

	08-Mar	01-Mar
24 & Below	-1100	-1100
25-26	-1000	-1000
27-29	-750	-750
30-32	-500	-500
33-34	-350	-350
35-36	0	0
37-42	0	0
43-49	0	0
50-52	-225	-225
53 & Above	-400	-400

Strength grams/tex (cent points per lb):

	Mfs Terr	W Texas	SJV
19.0-19.9	*	-250	*
20.0-20.9	*	-250	*
21.0-21.9	-300	-225	*
22.0-22.9	-250	-200	*
23.0-23.9	-200	-175	*
24.0-24.9	-175	-175	-500
25.0-25.9	-150	-150	-400
26.0-26.9	-25	-100	-300
27.0-28.9	0	0	0
29.0-29.9	0	0	0
30.0-30.9	25	25	75
31.0-32.9	50	25	125
33.0 & Above	50	25	250

* Strengths have no history of being produced.

Note: Official quotations for cotton of 3.5-3.6 & 4.3-4.9

Micronaire, strengths 23.5-25.4 g/tex, compressed in Mixed lots, FOB car/truck.

LOAN STATISTICS

CCC Data as of Feb 28, 2017 (running bales):

Crop	Total Entries	Repossessions	Forfeitures	Outstanding Stock
16/17	9,237,088	4,842,451	0	4,394,637
15/16	<u>6,757,636</u>	<u>6,756,869</u>	0	<u>767</u>
Totals	15,994,724	11,599,320	0	4,395,404
Last period's total (Feb 20)				4,606,094

*Including 373,955 bales held by individuals and 4,021,449 by cooperatives.

Details by state for 2015/16 crop and 2016/17 crop upland cotton remaining under loan are as follows (the figures include cotton from both individual growers and the cooperatives):

	- OUTSTANDING -	
	2016/17	2015/16
N. Carolina	100,250	-
S. Carolina	55,386	-
Georgia	469,869	-
Alabama	131,391	-
Florida	50,798	-
Virginia	<u>8,098</u>	<u>108</u>
Southeast	815,792	108
Tennessee	294,764	52
Missouri	233,487	-
Mississippi	453,920	-
Arkansas	380,735	-
Louisiana	<u>81,047</u>	-
Memphis Terr	1,443,953	52
Texas	1,764,867	176
Oklahoma	135,000	-
Kansas	<u>32,626</u>	-
South West	1,932,493	176
New Mexico	28,446	-
Arizona	77,577	431
California	<u>96,376</u>	-
Far West	202,399	431
Upland Total	4,394,637	767

American Pima

PIMA SPOT QUOTATIONS

Selected markets to March 8 compared with Mar 1 in parenthesis, were as follows:

AMERICAN PIMA

GRADE	1-3/8" (44)	1-7/16" (46)
2	138.00 (138.00)	146.00 (146.00)
3	124.25 (124.25)	131.25 (131.25)
4	103.50 (103.50)	110.50 (110.50)

MICRONAIRE DISCOUNTS (cent points per lb):

2.6 and below	-1900
2.7 to 2.9	-1400
3.0 to 3.2	-900
3.3 to 3.4	-400
3.5 and above	Base

Note: Official quotations reflect cotton equal to the Official Standards, net weight, in mixed lots, uncompressed, FOB Warehouse.

Pima CCC Loan Activity

running bales to Feb 28, 2017

	Total Entries	Repayments	Forfeitures	Outstanding Stock
2016/17	261,654	149,373	-	112,281
2015/16	<u>266,785</u>	<u>266,785</u>	-	-
	528,439	416,158	-	112,281
Previous Total Outstanding (Feb 20):				113,351
				<u>2016/17</u>
Arizona		7,089	-	-
California		78,537	-	-
New Mexico		5,791	-	-
Texas		<u>20,864</u>	-	-
Pima Total		112,281	-	0

Classings

According to the USDA, a total of 16,008,103 bales of upland and 530,332 of Pima were classed to March 2. Few alterations to average staple length and Micronaire have been recorded beltwide since we last reported four weeks ago. Overall, only minor modifications have been noted to color grades.

The number of samples classed Middling White/leaf 3 and better decreased slightly in the Southeast, Southwest and Far West, while the proportion of cotton graded as such remained unchanged in the Memphis Territory. A marginal improvement in samples classed Strict Low Middling White/leaf 4 was reported in the Southwest and Far West, but little change was noted in the Southeast and Memphis Territory.

Staple length has continued better than the 2015/16 crop in all regions, except the Memphis Territory. Beltwide, average fiber length ranged from 35.6/32nds inches in the Southeast to 37.8 in the Far West. Eight out of the 17 producing states averaged 1-1/8" and longer this year.

Fiber strength is virtually unchanged across the belt and Micronaire averages remain in the premium 3.5 to 4.9 range across the belt. The percentage of cotton tenderable against ICE futures has increased considerably from last year.

Upland Classings by State

02/03/2017
running bales

	2016 YTD	2016 Prev Wk	2015 TOTALS
Alabama	676,024	676,024	531,587
Georgia	2,157,558	2,157,198	2,223,611
Nth. Carolina	353,864	353,894	521,571
Florida	146,926	146,926	110,888
Virginia	91,546	91,546	132,045
Sth. Carolina	218,350	218,102	139,248
Southeast	3,644,268	3,643,690	3,658,950
Arkansas	858,938	858,938	481,300
Mississippi	1,008,497	1,008,497	613,348
Missouri	565,630	565,630	403,708
Louisiana	266,098	266,098	192,858
Tennessee	566,354	566,354	300,737
Memphis Terr	3,265,517	3,265,517	1,991,951
Texas	7,855,713	7,798,079	5,627,811
Oklahoma	534,934	517,826	345,026
Kansas	70,566	67,733	37,306
Southwest	8,461,213	8,383,638	6,010,143
Arizona	354,804	354,660	254,344
California	249,304	249,304	169,543
New Mexico	32,997	32,984	18,630
Far West	637,105	636,948	442,517
Total	16,008,103	15,929,793	12,103,561

US EXPORT SALES

During the week ended March 2, net export sales registrations of upland cotton for shipment during the current 2016/17 season amounted to 248,900 running bales. Increases were reported for Indonesia (68,400, including a decrease of 300), China (42,200, including a decrease of 4,400), Turkey (36,300, including a decrease of 100), India (21,600), Vietnam (18,700, including a decrease of 600) and Thailand (14,300, including 500 switched from Japan and a decrease of 600). Reductions were reported for Japan (500) and El Salvador (400).

For 2017/2018, net sales of 215,500 running bales were reported for Pakistan (88,400), Indonesia (44,000), China (42,600) and South Korea (18,800).

Export shipments of 529,000 running bales, representing a marketing-year high, were mainly for China (107,300), Vietnam (93,800), Turkey (60,000), Indonesia (56,400) and Pakistan (54,400).

Net sales of Pima totaled 14,100 running bales. The main destinations were Vietnam (7,400), India (2,500), China (1,700, including 900 switched from Hong Kong) and Turkey (900).

EXPORT STATISTICS

Official return, week ended, Mar 02. -in running bales-	UPLAND	PIMA
2016/2017 season		
Previous Outstanding Commitment	4,623,300	144,100
New Sales	260,400	14,100
Cancellations	11,500	0
Net Change in Sales Commitment	248,900	14,100
Shipped during the period	529,000	15,100
Cumulative Shipments to, Mar 2.	6,762,500	360,100
Total Outstanding Commitment	4,505,600	143,800
Theoretical Disappearance	11,268,100	503,900
2017/2018 season		
Previous Outstanding Commitment	999,400	0
Net change in Sales Commitment	215,500	2,600
Total Outstanding Commitment	1,214,900	2,600

US PRICE MECHANISM

US PRICE MECHANISM

- 2016/2017 season -

- value if applied today, March 9, 2017 -

Take 5-day average of:-

A) Five Far Eastern Midd.1-3/32" CFRs	85.77
B) Three Far Eastern 'fine count' CFRs	87.51
C) Three Far Eastern 'coarse count' CFRs	85.45
D) Cheapest US Midd. 1-3/32" CFR	85.70

ADJUSTED WORLD PRICE CALCULATION

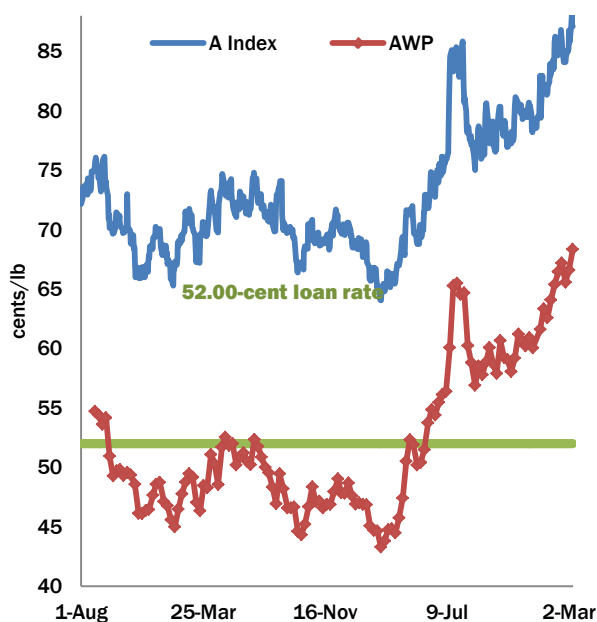
Deduct from A	
Average cost to market	14.53
Loan Quality Differential	
(at average location) between:	
Middling 1-3/32"	54.90
SLM 1-1/16"	52.00 2.90
E) Total Adjustment Factor	17.43
F) Adjusted World Price (A - E)	68.34
G) Fine Count' Adjustment Factor	must be above zero
2016 crop (current values 1.90-(B-A))	0.26
H) Coarse Count' Adjustment Factor	must be above zero
(current values A-C-5.55)	-5.23
I) Loan Deficiency Payment, Basic Loan (52.00) - F	-16.34

The Adjusted World Price is calculated from CFR Far East quotations, adjusted to reflect quality differentials and an 'average cost to market'. The quality adjustment is derived from the loan difference between Middling 1-3/32" and SLM 1-1/16". The 'average cost to market' is determined by using values provided to USDA by cotton shippers. USDA has fixed the cost at 14.53 cents until further notice. Further adjustments to the AWP are applied by reference to differences between World Quality and Loan Quality values in the form of a Fine Count and a Coarse Count Adjustment.

The AWP may be further amended if, at the Secretary of Agriculture's discretion, such an amendment is necessary to 1) minimise potential loan forfeitures, 2) minimise accumulation of Government stocks, 3) ensure free and competitive marketing of upland cotton, both domestically and internationally and 4) ensure an appropriate transition between current and forward quotations.

Cotton entered into the Loan may be redeemed with cash at the Basic Loan value or at an AWP lower than the Basic Loan plus storage and interest charges (thus avoiding such charges either entirely or in part).

A Index vs. AWP



At last calculation, the theoretical AWP was 16.34 cents/lb above the USDA's 52.00-cent upland cotton loan rate.

AMERICAN PIMA COMPETITIVENESS PAYMENT

Basic Loan Trigger

P1) Cheapest competing foreign quote CFR Far East: (week to date average)	168.00
P2) P1 adjusted for quality and transportation ((P1+2.04)-18.39)	153.16
P3) Basic ELS Loan Rate (79.77) adjusted for quality 2-2-46	81.10
P4) Basic Loan Trigger = 134% of P3. P2 must be lower than P4 for four weeks for payments to be triggered	108.67

The Basic Loan Trigger criterion must be met for any payment to be calculated

Payment Calculation

P5) Friday/Thursday US Pima CFR Far Eastern Average	170.00
P6) Weekly average cheapest competing foreign quote CFR Far East (adjusted for quality) (P1+2.04)	170.04
P7) Theoretical value (P5-P6)	N/A
P8) No. of completed wks. P5 must exceed P6 for four consecutive weeks.	0
P9) Official current rate payable through Thursday March 9	N/A

2017 Calendar of Cotton Events

<p>International Cotton Association - Complete Cotton Training Programme</p> <p>Marriott Hotel, Liverpool, UK www.ica-ltd.org/complete-cotton/</p> <p>Contact: Tel: +44 151 236 6041, Fax: +44 151 255 0174, E-mail: staff@ica-ltd.org</p>	<p><i>April 26 - May 5</i></p>
<p>BCI 2017 Global Cotton Conference</p> <p>Connecting leaders to drive business change. Berlin, Germany</p> <p>bettercotton.org Email: membership@bettercotton.org</p>	<p><i>May 16 - 18</i></p>
<p>American Cotton Shippers Association</p> <p>93rd Annual Convention, 24-26, St. Louis, Missouri</p> <p>www.acsa-cotton.org</p>	<p><i>May 24 - 26</i></p>
<p>Gdynia Cotton Association</p> <p>76th General Assembly, Gdynia, Poland</p> <p>Contact Tel. +48 58 620 7598, Fax +48 58 6207597, Email: ib@gca.org.pl</p>	<p><i>May 26</i></p>
<p>ACSA International Cotton Institute</p> <p>The University of Memphis, Memphis, Tennessee, USA</p> <p>cotton.memphis.edu</p>	<p><i>June 5 - July 14</i></p>
<p>National Cotton Council</p> <p>Mid-Year Board Meeting</p> <p>Peabody Hotel, Memphis, TN</p> <p>Contact Tel: 901-274-9030 Fax: 901-725-0510</p>	<p><i>August 23 - 25</i></p>
<p>ITMF Annual Conference 2017</p> <p>Bali, Indonesia</p> <p>Contact: Tel: +41 44 283 6380, Fax: +41 44 283 6389, E-mail: christian.schindler@itmf.org</p> <p>www.itmf.org/conferences/annual-conference-2017</p>	<p><i>September 14 - 16</i></p>
<p>AFCOT Annual Dinner, Deauville, France</p> <p>Contact: Mr Gérard Kassarian, Tel: 02 35 41 20 36, Fax: 02 35 42 63 09</p> <p>www.afcot.org/afcot-identity/</p>	<p><i>October 3</i></p>
<p>International Cotton Association - Annual Trade Event</p> <p>Singapore www.ica-ltd.org</p> <p>Contact: Tel: +44 151 236 6041, Fax: +44 151 255 0174, E-mail: info@ica-ltd.org</p>	<p><i>October 12 -13</i></p>
<p>International Cotton Advisory Committee</p> <p>76th Plenary Meeting. Tashkent, Uzbekistan</p> <p>Tel: +1 202-463-6660, Email: secretariat@icac.org,</p> <p>Web: www.icac.org</p>	<p><i>October 22 - October 27</i></p>
<p>Organisers of forthcoming events are invited to contact the editor if they wish their meeting to be considered for inclusion in a future list.</p>	

AUSTRALIA

Weather update

A weather system has been moving into Queensland and southern New South Wales, with milder temperatures and some patchy rain forecast. This should bring precipitation to certain growing regions across both states - Narrabri in New South Wales (NSW) had already received 89 mm of rain on March 5. Troughs over the west and inland Queensland have been triggering showers and thunderstorms.

In central Queensland, there have been reports of some very early picking and ginning, but this is not indicative of the overall crop. Harvesting is about to begin in southern Queensland and northern NSW.

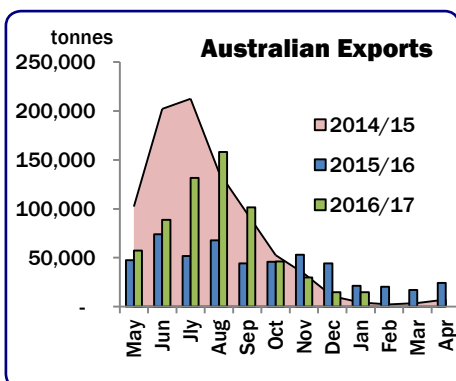
Dry conditions for around eight weeks will be needed, with picking beginning in earnest from next month.

It is thought that prior to the decline in ICE futures on March 7, with a favourable US dollar/Australian dollar exchange rate and good returns for growers, some significant buying has been undertaken by the trade.

January's raw cotton exports

Raw cotton export shipments in January amounted to 14,837 tonnes, down from a revised 14,938 the previous month, and below the 21,289 shipped during the same month of 2016.

Cumulative exports during the May/January period (broadly corresponding to the movement of the 2015/16 crop) amounted to 643,420 tonnes, compared with 449,777 during the corresponding, nine-month period a year earlier.



China was the single largest destination in January, accounting for 7,472 tonnes, or just over fifty percent, followed by Vietnam with 2,313 tonnes, Indonesia with 1,788 and Thailand with 1,185. More modest volumes were shipped to Japan (963), Bangladesh (605) and Pakistan (363).



		Selected rainfall data (mm)					to Mar
		Oct	Nov	Dec	Jan	Feb	8
Queensland							
St George	SW	40	15	61	17	22	3
Dalby	Darling Downs	14	58	40	94	40	38
Emerald	Central Highlands	18	10	63	70	32	44
New South Wales							
Moree	Northern	57	23	35	19	12	3
Walgett	NW	52	9	40	20	0	12
Narrabri	Northern	60	18	27	105	12	89
Hay	Western Riverina	24	29	19	9	2	0
Hillston	Western Lachlan	35	22	50	6	5	0
Trangie	Central	54	23	101	20	0	4



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