

WEEK IN BRIEF

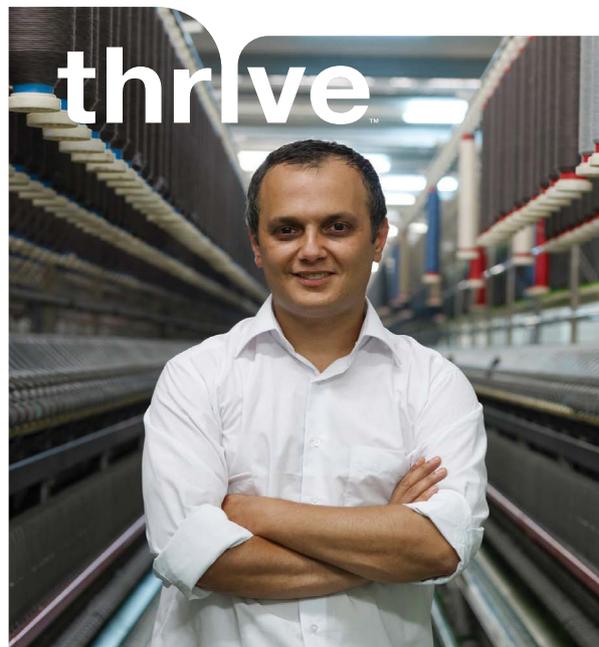
Last week's **price** volatility has given way to more measured fluctuations. New York futures have lost further ground. The July/December spread has narrowed. Trading volume has reverted to more customary proportions. Certificated stocks have continued to rise... China's Zhengzhou futures market is also weaker on balance... In India, MCX futures have declined in light trading. Interior ex-gin values are also weaker... A retail volume of Pakistan new crop cotton has been booked at a firm price... Last week's conference organised by the Better Cotton Initiative attracted some 300 participants. An account of the event appears on page 21.

Sowing in the United States has made rapid progress, and had passed the half-way stage by May 21. Planting is ahead of average in a majority of states, including Texas. More helpful rain has been received on the Plains... Sowing in Egypt remains well short of the projected area. Estimates of the 2016/17 outturn have been reduced modestly... Favourable conditions have assisted the early development of the Spanish crop...

Planting is complete in Turkey, where production forecasts are rising... Sowing in India's Northern Zone is in its final stages. Farmers elsewhere await Monsoon rains, the outlook for which remains encouraging... Approaching three quarters of Pakistan's crop is in the ground... In China, the Xinjiang Production and Construction Corps may reduce cotton plantings this year. The region's long staple crop has made a poor start. Cotton area in Hebei is forecast to recover modestly... Recent rainfall has affected the tail-end of the Australian harvest... The weather pattern in Argentina has continued to restrict the momentum of picking.

This week's US export report showed a modest net increase in the upland **sales** commitment for the current marketing year, despite cancellations of 48,000 bales. Upland sales for 2017/18 rose by 236,200 running bales, and shipments remained robust at 332,800... Mill demand from most import markets has focused on prompt or nearby shipment cotton. Fixations against 'on-call' contracts were a feature as futures fell sharply. Australian has been in demand, as well as Brazilian and African Franc Zone remnants... Import demand in Pakistan has been affected by the reinstatement of import duty and sales tax... A significant slowdown in purchasing at China's state reserve auctions has been attributed to the sharp rise of this week's base price. US shipments accounted for the lion's share of raw cotton imports during April.

Cotton **yarn** values have shown no clear direction... Pakistan's spinners report lacklustre export trading conditions... China's imports of cotton yarn fell sharply in April. Vietnam was the main supplier. Subsidies payable on medium count yarns produced in Xinjiang are to be reduced... Egypt is to create a Supreme Council of textile industry bodies.



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INTERNATIONAL COTTON PRICES

Calmer market

Trading conditions in the New York No. 2 contract have presented a less volatile appearance during the past week, following the extreme movements that characterised the previous reporting period. To recap, over three sessions last week, July futures gained 883 points, to close at 85.32 cents per lb on May 15, a day that witnessed record turnover in excess of 109,000 contracts, before closing down the permissible 400 point limit by the end of the subsequent session.

July has followed a downward trajectory during most of the current reporting period, and by the close on May 24 had fallen by no less than 778 cent points from last week's peak settlement. The evolution of the July/December spread, which at one stage last week surpassed 1,400 points, has also been closely monitored. By the close on May 24, the gap between the two contracts had narrowed considerably, but was still far from inconsequential at 446 cent points.

As we reported last week, the sharp rally in futures coincided with active 'invoicing back' of some US export contracts, many of which were apparently switched into Australian. That process, according to some observers, is not unconnected to the further rise of certificated stocks. The latter have continued to increase, strongly, having surpassed 400,000 bales towards the end of last week.

In contrast to some expectations, this week's US export report disclosed a modest net increase in this season's upland export commitment, despite a moderate volume of cancellations. It remains to be seen whether more will follow.

Selective mill buying

New mill demand in the physical market was understandably subdued in the throes of the volatility witnessed last week. This week's downturn, however, has encouraged some spinners with urgent requirements to re-enter the market. International merchants with prompt shipment cotton available to meet their needs, and still hedged on the July contract, have typically proved fairly willing sellers. The uncertain prospects for the spot month, and for the spread between July and December as the former month approaches maturity, provide a quite compelling rationale to dispose of cotton still held in trade long positions, despite the evidence that spinners have positions still to cover over the coming months.

Although some enquiry for third quarter shipment has been observed, mills with inventories sufficient for the next month or two have mostly preferred to await an end to the volatility associated with the maturing July contract, and no doubt feel that the bearish new crop supply and demand fundamentals justify a more passive attitude to raw material purchasing. Fluctuations in the December contract have been much less volatile. The new crop contract now holds more open interest than July.

It should be noted, however, that much of the new crop cotton that contributes to the supply side of the 2017/18 balance sheet will not be available for shipment until the later months of the year. In the interim, Australia and Brazil (with smaller contributions from East and Southern Africa) promise to be the principal sources of supply available to the international market. As previously noted, the crops in question are already well sold from first hands.

Crop developments

Planting of the 2017/18 crops has been progressing without major setbacks in many parts of the Northern Hemisphere. In the United States, little has occurred to dispel the notion that a bumper crop is in prospect. Beltwide, sowing had passed the half-way mark by May 21, and progress in the key producing state of Texas is comfortably ahead of schedule. Dryland areas on the Rolling Plains have of late been in receipt of good moisture, which suggests that the assumptions underpinning this month's crop forecast from USDA – that abandonment this season will prove below average – are well founded.

On the subcontinent too, the prevailing mood of optimism appears intact. Sowing is estimated to be about 85 percent complete in India's irrigated Northern Zone, where the anticipated increase in this season's cotton plantings seems to have been confirmed. Elsewhere in the country, farmers await the arrival of monsoon rains before sowing can begin. Latest indications from the Meteorological Department remain sanguine with regard to the timely arrival and anticipated volume of those rains.

In Pakistan, planting is estimated to be roughly three-quarters complete. The incentive provided by the high seed cotton prices and improved yields obtained in 2016/17, as well as vocal encouragement from the authorities, continue to augur a strong increase in output. The lukewarm reaction of mill buyers to the cheapening of import offers this week is already attributed to the prospect of early arrivals from the domestic crop, albeit in small volume, within a few weeks. Similarly, rising forecasts of the Turkey's 2017/18 crop imply a commensurate reduction in that country's import requirement during the next marketing year.

Rising stocks

Much can of course change over the coming months, however, as things stand today, the production outlook would seem to portend a degree of selling pressure at the two major export origins. Exports from the United States and India combined will this season account for an estimated 50 percent of international trade in raw cotton.

Our latest forecasts for the 2017/18 marketing year continue to indicate a rise in world stocks outside China of the order of two million tonnes. Since carryover supplies outside the Southern Hemisphere are limited, however, the point at which rising 'rest-of-world' stocks might begin to weigh upon the international market, remains open to debate. A not untypical expectation amongst trade observers is that attrition may begin to be felt only after the turn of the year.

By that juncture, the prospect of a return of Chinese import buying on a larger scale may not seem too distant, and might thus begin to influence price sentiment. During the past week, buying at the state reserve auctions has understandably slowed appreciably, since the base value has risen sharply in response to last week's international pricing developments and the more measured rise of local spot values. However, cumulative sales already amount to more than 1.2 million tonnes, and the process thus remains on course to deplete China's stocks by a similar quantity to that achieved last season (2.6 million tonnes).

Disposal of a similar quantity for a third year in 2018 might at last bring Chinese stocks close to the much-discussed - but as yet undefined - 'manageable' level by the early stages of the 2018/19 international cotton season. A significant downturn of world prices on supply considerations next season might undermine enthusiasm for planting cotton, just as the prospects for international trade are poised to improve.



CFR Far Eastern Quotations for Principal Growths

Quotations as at May 25, 2017

Description	Price		Change on week	Shipment	Price	Change on week	Shipment
American-Type cottons:							
Higher grades							
Australian SM 1-5/32"	91.25		-3.25	6/7			
Benin Kaba/s 1-1/8"	88.50		-2.25	6/7	83.75	-0.75	1/2
Burkina Faso BOLA/s 1-1/8"	88.50		-2.25	6/7	83.25	-0.75	1/2
Cameroon IRMA/s 1-1/8"	89.00		-2.25	6/7	83.75	-0.75	1/2
Cameroon PLEBE 1-5/32"	90.75		-2.25	6/7	85.25	-0.75	1/2
Chad Kero A51 1-5/32"	90.75		-2.25	6/7	85.25	-0.75	1/2
Indian Shankar-6, 1-1/8"	86.25		-2.50	5/6	81.00	-1.25	1/2
Ivory Coast MANBO/s 1-1/8"	88.50		-2.25	6/7	83.25	-0.75	1/2
Mali JULI/s 1-1/8"	89.00		-2.25	6/7	84.00	-0.75	1/2
Spanish SM 1-1/8"	NQ				84.75	-1.00	10/11
Tanzanian RG1 1-1/8"	NQ						
Texas SM 1-1/8"	89.00		-2.25	6/7			
Uzbekistan SM 1-1/8"	92.00	N	-2.50	6/7			
Zambian SM 1-1/8"	NQ						
Zimbabwe SM 1-1/8"	NQ						
Medium grades							
1-1/8" staple unless stated							
Australian Midd	89.75		-3.25	6/7			
Benin BELA *	87.50		-2.25	6/7	82.75	-0.75	1/2
Brazilian Midd	88.25		-2.75	6/7	84.25	-1.25	10/11
Burkina Faso RUDY *	87.50		-2.25	6/7	82.25	-0.75	1/2
California/Arizona Midd	91.00		-2.25	6/7			
Greek Midd	NQ				85.00	-1.25	10/11
Indian medium grades **	85.25		-2.50	5/6	80.00	-1.25	1/2
Iv. Coast BEMA *	87.50		-2.25	6/7	82.25	-0.75	1/2
Mali ROKY/KATI *	88.00		-2.25	6/7	83.00	-0.75	1/2
Memphis/Eastern Midd	88.75		-2.25	6/7	83.75	-1.00	11/12
Memphis/Orleans/Texas Midd	87.75		-2.25	6/7	82.50	-1.00	11/12
Mexican Midd	NQ						
Tanzanian SG1	NQ						
Uzbekistan Midd	89.00	N	-2.50	6/7			
Lower grades							
Argentine SLM, 1-1/16"	NQ						
Brazilian SLM 1-3/32"	86.25		-2.75	6/7			
Greek SLM 1-3/32"	NQ						
Indian J-34 SG **	NQ						
Memphis/Eastern SLM 1-3/32"	86.00		-2.25	6/7			
Memphis/Orleans/Texas SLM 1-3/32"	85.50		-2.25	6/7			
Pakistan AFZAL 1-1/16"	NQ						
Pakistan Type 1467 1-3/32"	NQ						
Long Staple cottons:							
US Pima Grade 2 1-7/16" #	172.00	N	Unch	6/7	155.00	-	12/1
Egyptian Giza 86 Good+3/8	157.00		Unch	6/7			
Egyptian Giza 94 Good+3/8	161.00		Unch	6/7			
Israeli Pima H1, 1-7/16" #	171.00		1.00	6/7			
Israeli Acalpi	131.00		1.00	6/7			

* 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 May 25, 2017

2016/2017 A Index			2017/2018 A Index		
Description	Price	Shpt	Description	Price	Shpt
Indian medium grade	87.25		Indian medium grade	82.15	
Benin BELA	85.25	5/6	Ivory Coast BEMA	80.00	1/2
Burkina Faso RUDY	87.50	6/7	Burkina Faso RUDY	82.25	1/2
Memphis/Orleans/Texas	87.50	6/7	Memphis/Orleans/Texas	82.25	1/2
Brazilian	87.75	6/7	Memphis/Eastern	82.50	11/12
	88.25	6/7		83.75	11/12

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	82.36

Monthly Averages

October 2016	78.50
November 2016	78.92
December 2016	79.50
January 2017	79.55
February 2017	85.15
March 2017	86.78
April 2017	87.04
May 2017	88.88

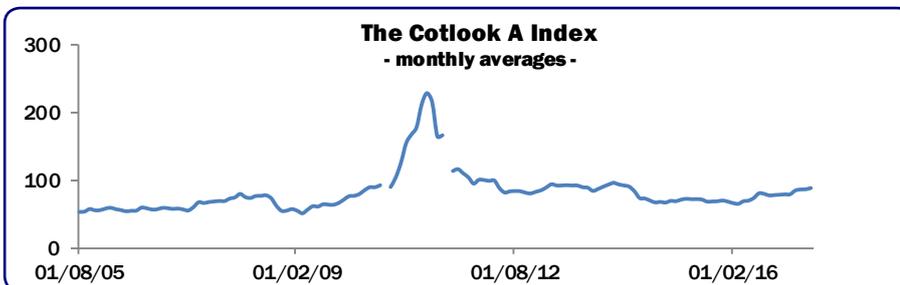
Daily Values

2016/17 2017/18

May 19	88.75	82.45
May 22	89.00	82.20
May 23	88.05	81.90
May 24	87.00	81.40
May 25	87.25	82.15

Average for week

88.01 82.02



YARN INDEX

2005 = 100

This week	127.20	Last month	127.10
Last week	127.61	Last year	113.33

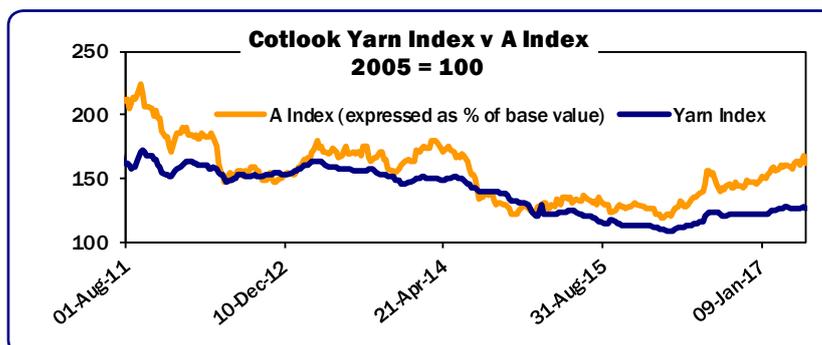
Export prices (in US dollars per kilo FOB)-

		This Week	Change on week	Change on year
Pakistan	20s	2.44	Unch	0.17
India	20s	2.50	Unch	0.40
Turkey	20s	2.90	Unch	0.25
Indonesia	20s	2.56	Unch	0.06
China	21s	3.18	Unch	0.68
Uzbekistan	20s	2.35	Unch	0.25
Pakistan	30s	2.82	Unch	0.17
India	30s	2.80	Unch	0.45
Turkey	30s	3.10	Unch	0.25
Indonesia	30s	2.85	Unch	0.05
China	32s	3.35	-0.15	0.30
Uzbekistan	30s	2.80	Unch	0.50

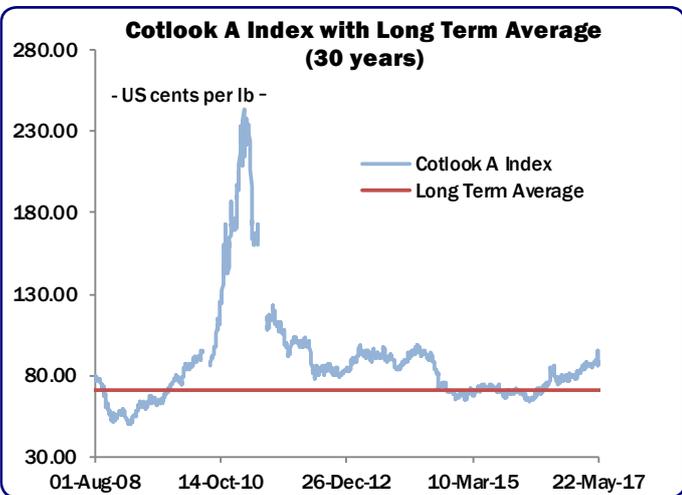
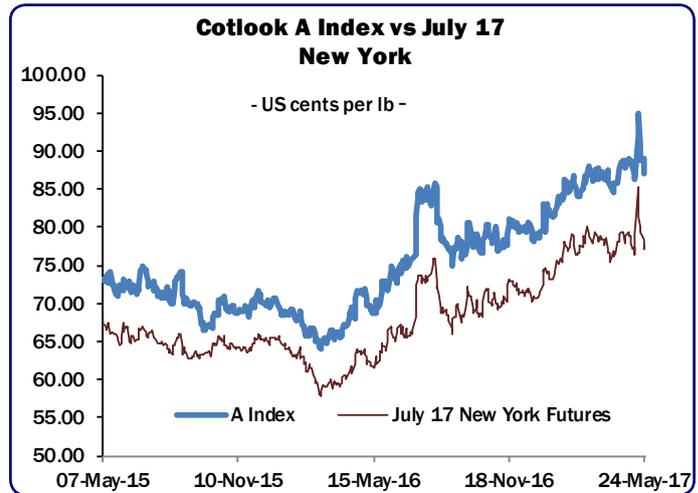
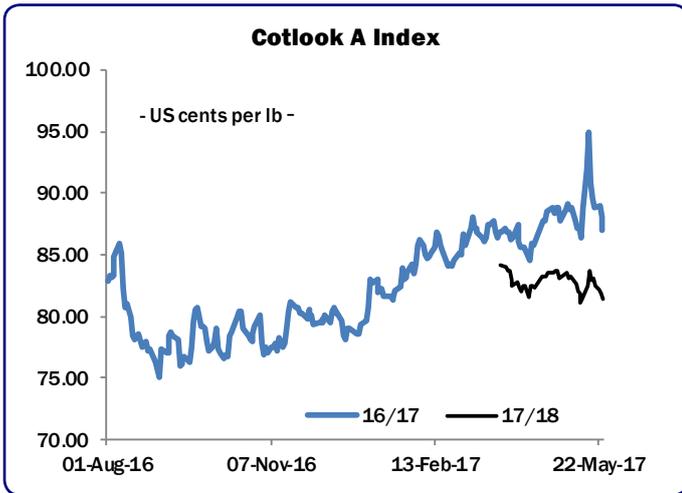
The Yarn Index is derived from our published FOB prices for 20s and 30s counts from India, Pakistan, Indonesia, China and Turkey, each weighted to reflect exports of cotton yarn from the individual country concerned, and expressing that as a percentage of the comparable average values for 2005. In determining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

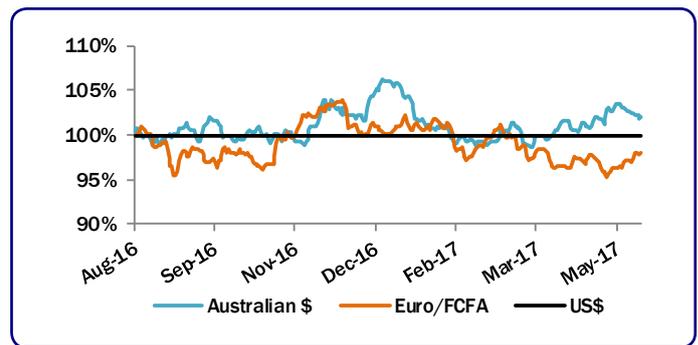
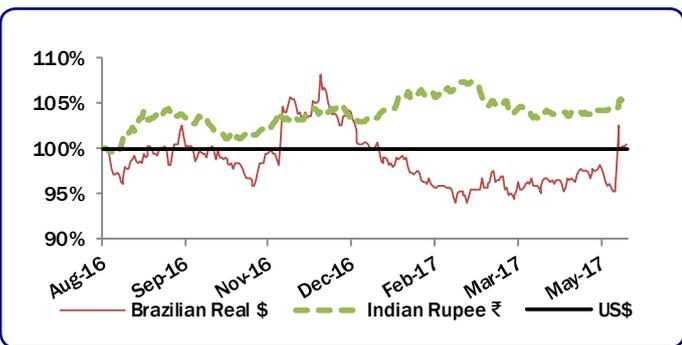


WORLD PRICE TRENDS

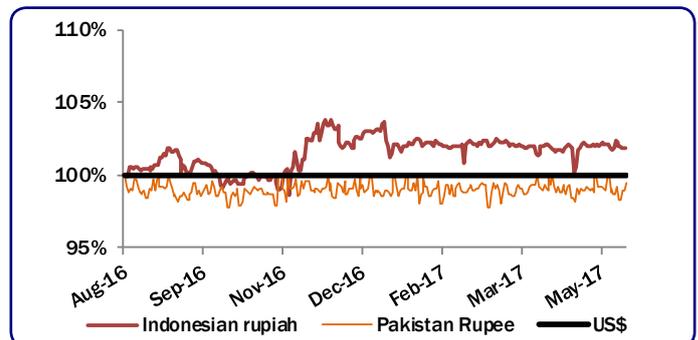
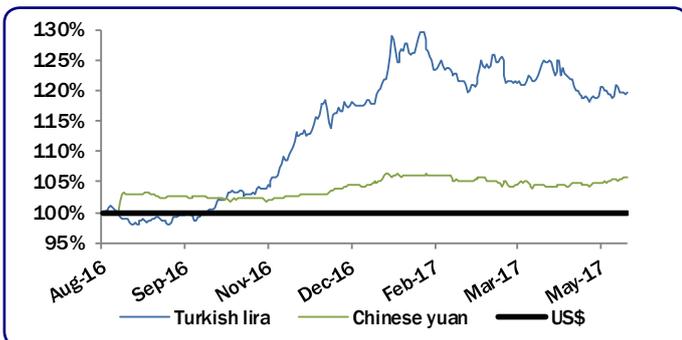


CURRENCY TRENDS

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



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

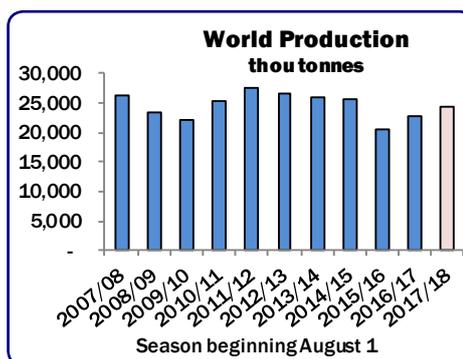


COTLOOK ESTIMATES - IN THOUSANDS OF TONNES -

Production

During the past month, sowing of the 2017/18 crops has been progressing across several of the Northern Hemisphere's major cotton-producing countries. Any setbacks have generally been minor, and overall the impression gained is that farmers' enthusiasm for cotton remains high, in response to the generally firm prices prevailing during the current season. At this early stage, therefore, most forecasts are maintained.

We foresee an increase in global output next season of just over 1.78 million tonnes or nearly eight percent, to 24,494,000 tonnes, a figure only marginally below the average produced over the preceding ten seasons.



Production

	16/17	17/18	Change on Month	
			16/17	17/18
Argentina	180	200		
Australia	955	975		
Azerbaijan	32	65		
Benin	150	158		
Brazil	1,475	1,500		
Burkina Faso	290	295		
Cameroon	102	105		
Chad	69	60		
China	4,750	4,840		
Colombia	20	25		
Côte d'Ivoire	130	135		
Egypt	37	75	-4	
Greece	220	270		
India	5,780	6,290		
Iran	65	60		
Israel	14	15		
Kazakhstan	70	73	+8	+3
Kyrgyzstan	9	9		
Malawi	6	10		
Mali	270	280		
Mexico	142	150		
Mozambique	25	25		
Nigeria	50	50		
Pakistan	1,665	2,000		
Paraguay	5	5		
Peru	27	25		
Spain	50	65		
Sudan	48	55		
Syria	43	35		
Tajikistan	82	88		
Tanzania	43	60		
Togo	43	50		
Turkey	700	800		
Turkmenistan	297	300		
Uganda	26	28		
USA	3,738	4,180	+46	+88
Uzbekistan	780	800		
Zambia	35	40		
Zimbabwe	32	35		
World Total	22,710	24,494	+49	+91
World excl China	17,960	19,654	+49	+91
N Hemisphere	19,862	21,547	+49	+91
S Hemisphere	2,848	2,947	+0	
African Fr. Zne	1,061	1,093		
Central Asia	1,238	1,270	+8	+3
EU	270	335		

Consumption

	2016/17	2017/18	Change on Month	
			16/17	17/18
Argentina	127	130		
Bangladesh	1,300	1,400		
Brazil	662	650		
Burma	64	64		
China	7,840	7,900		
Colombia	60	55		
Czech Rep.	3	3		
Egypt	112	150		
France	10	10		
Germany	23	23		
Greece	15	15		
Hong Kong	-	-		
India	5,143	5,270		
Indonesia	640	640		
Iran	118	120		
Italy	31	25		
Japan	65	63		
Malaysia	34	35		
Mexico	377	360		
Morocco	25	20		
Nigeria	25	25		
Pakistan	2,225	2,300		
Peru	80	75		
Poland	7	7		
Portugal	35	35		
Russia	55	50		
South Africa	24	24		
South Korea	260	250		
Spain	10	10		
Syria	20	20		
Taiwan	145	145		
Thailand	250	270		
Turkey	1,400	1,400		
Turkmenistan	140	140		
USA	718	725		
Uzbekistan	375	400		
Vietnam	1,150	1,200		
Others	447	441		
World Total	24,014	24,450		
Asia	20,577	20,995		
Indian Sub Cont	8,748	9,046		
ASEAN	2,154	2,225		
Americas	2,103	2,070		
NAFTA	1,096	1,085		
Africa	329	359		
EU27 (now 28, no entry for Croatia)	155	151		

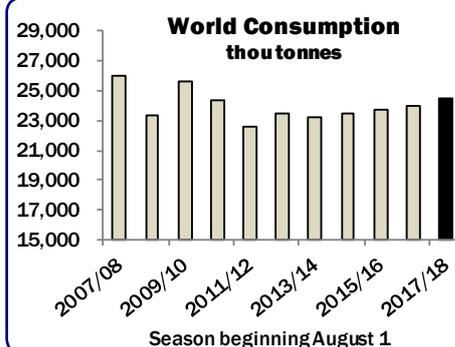
The only substantive change made to our forecasts during the past month concerns the United States. We have adopted the figure advanced earlier this month by the Department of Agriculture, of 19.2 million bales (480 lbs), or 4,180,000 tonnes. That figure proved at the higher end of private expectations, and is attributed to Washington's expectation of lower than average abandonment.

Nothing has occurred over recent weeks to dispel that optimistic view. Sowing is ahead of the average pace, and helpful moisture has been received in the key West Texas producing region. As things stand, US crop forecasts would seem to retain an upward bias.

Consumption

Estimates of consumption are unchanged on the month. Although the unexpected strength of mill demand since the beginning of this year is interpreted by some as an indication of rising mill use, a statistical basis (principally derived from import data) with which to corroborate that view is not yet available. Moreover, some recent reports suggest that spinners' fortunes have lately undergone a setback, attributed in part to the firmness of raw cotton replacement costs, accentuated for some mills by the levels at which 'on-call' purchase contracts have had to be fixed.

At 24,450,000 tonnes, our forecast of world consumption in 2017/18 would represent an increase of 1.8 percent from the current season, but leave the total nearly 1.6 million tonnes below the corresponding total ten years earlier.



WORLD STOCK

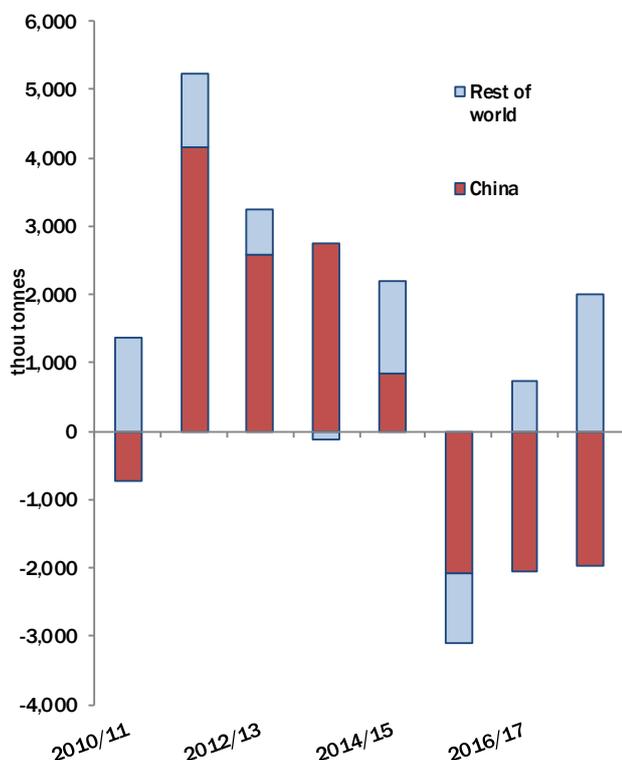
The accompanying table shows our production and consumption estimates and the resultant adjustments in world stock levels during 2015/16 and 2016/17, together with our prediction for 2017/18. Where available, comparable data produced by the United States Department of Agriculture and by the International 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	17,960	19,654	4,530	4,750	4,840	20,584	22,710	24,494
China net trade	-944	-1,040	-1,090	+944	+1,040	+1,090			
New Supply	15,110	16,920	18,564	5,474	5,790	5,930	20,584	22,710	24,494
Consumption	16,130	16,174	16,550	7,550	7,840	7,900	23,680	24,014	24,450
Net change in stock	-1,019	+746	+2,014	-2,076	-2,050	-1,970	-3,096	-1,304	+44
USDA									
Opening stock	9,756	8,479	8,889	14,570	12,671	10,603	24,329	21,150	19,492
Production	-2,622	18,099	19,534	4,790	4,953	5,117	2,168	23,052	24,651
China net trade	-931	-1,034	-1,078	+931	+1,034	+1,078			
New Supply	-3,553	17,065	18,456	5,721	5,987	6,195	2,168	23,052	24,651
Consumption	16,596	16,590	17,038	7,620	8,056	8,165	24,216	24,646	25,203
Other	+18,872	-65	+34	+0	+1	-1	+18,869	-64	+33
Ending Stock	8,479	8,889	10,341	12,671	10,603	8,632	21,150	19,492	18,973
Net change in stock	-1,277	+410	+1,452	-1,899	-2,068	-1,971	-3,179	-1,658	-519
ICAC									
Opening stock	9,407	7,579	8,120	12,917	11,160	9,270	21,922	18,739	17,390
Production	16,311	18,020	18,770	4,753	4,740	4,810	21,064	22,760	23,580
China net trade	-931	-954	-1,054	+931	+954	+1,054			
New Supply	15,380	17,066	17,716	5,684	5,694	5,864	21,064	22,760	23,580
Consumption	16,711	16,510	+16,860	7,442	7,590	7,670	24,153	24,100	24,530
Other	-497	-15	-16	+1	+6	+16	-94	-9	+0
Ending Stock	7,579	8,120	8,960	11,160	9,270	7,480	18,739	17,390	16,440
Net change in stock	-1,828	+541	+840	-1,757	-1,890	-1,790	-3,183	-1,349	-950

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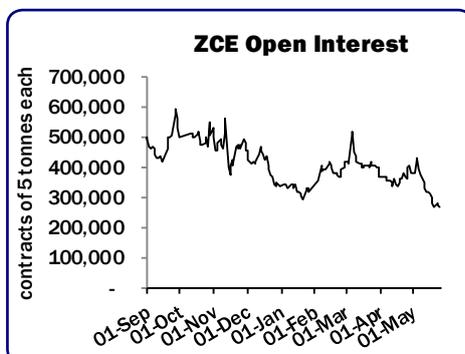
CHINA

Holiday notice

Trading on the China National Cotton Exchange (CNCE) will be suspended from May 28 (Sun) through May 30 (Tue) due to the Dragon Boat Festival, while the Zhengzhou Commodity Exchange (ZCE) will close business from May 27 (Sat) through May 30 (Tue). CNCE and the State Reserve auction will operate on Saturday May 27, and reopen on May 31.

Markets

Zhengzhou cotton futures closed with sharp losses early this week and, despite a reversal in the direction of prices on May 24, a net decline has been recorded in prices during the period. Turnover has returned to a more customary level, fol-



Zhengzhou Cotton Futures

	Settlement			Volume*	Open Interest
	yuan per tonne			number of contracts	
	18-May	25-May	Chng	Past Week	25-May
Jly	15,645	15,440	-205	962	1,686
Sep	15,985	15,805	-180	978,450	201,424
Nov	15,700	15,550	-150	326	1,610
Jan	16,010	15,815	-195	103,486	56,024
Mar	15,945	15,830	-115	-	26
May	16,220	15,935	-285	4,116	5,976
				1,087,340	266,746

*Counting both the sale and the purchase. Total volume includes the expired May contract

CNCE

25 May 2017

Delivery	Turnover in tonnes	Average price in yuan per tonne	Change on week	US cents per lb equiv.
Type 328 (domestic 'MA')				
Jun	750	15,120	+11	99.88
Jul	3,120	15,292	-9	101.02
Aug	6,140	15,334	-66	101.30
Sep	7,360	15,385	-115	101.63
Oct	11,780	15,396	-118	101.71
Nov	7,860	15,430	-	101.93
Total	37,650			

lowing the very heavy daily turnover of around 600,000 contracts (counting both sale and purchase) which was registered on one day last week. July showed a decline over the five-day period ended May 25 of more than 200 yuan per tonne and the fall in September (the most actively-traded month) was not far behind. January, the second most active month, behaved in a similar fashion.

Open interest has declined in line with prices, to end moderately lower on May 25, at 266,746 contracts, compared with 278,356 one week previously.

Average prices on the e-trading platform operated by the **China National Cotton Exchange (CNCE)** recorded far less substantial swings during the period, and ended on May 25 with fairly modest adjustments in all but the nearby contract, which was slightly higher.

The **China Cotton (CC) Index** (basis Type 3128) rose by 44 yuan during the week ended May 25, to 16,078 yuan per tonne (106.20 US cents per lb).

In the **man-made fibres**, the typical value for polyester staple (1.4D) has risen by 175 yuan per tonne on the week, to 7,600 yuan, whereas that for viscose staple has lost ground, moving down by 350 yuan to 14,800.

International Prices

Data as at 25 May, 2017

	Yuan per tonne equiv. + insurance	Approximate delivered mill value including one percent tariff + 13 percent VAT	including 40 percent duty & 13 percent VAT
Cotlook A Index	13,674	15,549	20,999
Texas SM	13,940	15,853	21,420
Uzbek SM	14,396	16,374	22,142
Australia SM	14,282	16,244	21,962
Burkina Faso BOLA/s	13,864	15,766	21,300
India Shankar-6	13,522	15,376	20,758
Benin KABA/s	13,864	15,766	21,300
Cameroon IRMA/s	13,940	15,853	21,420
Cameroon PLEBE 1-5/32"	14,206	16,157	21,841
Ivory Coast MANBO/s	13,864	15,766	21,300
Mali JULI/s	13,940	15,853	21,420

China domestic prices	yuan/tonne	chg on last published	cents/lb
CC Index	16,078	32	106.21
CNCE May	15,120	14	99.88
ZCE July	15,440	-205	102.00
Xinjiang Type 137	21,950	-	145.00
Xinjiang Type 237	21,000	100	138.73

State Reserve calculation	yuan/tonne	cents/lb
Base Price week ending 26 May	15,885	104.94
Running average week to date	15,616	103.16

	yuan/tonne	chg on week	cents/kilo
polyester	7,600	175	110.68
viscose	14,800	-350	215.54
	Yuan/kilo		cents/lb
32s carded yarn	22,985	-5	332.92
40s combed yarn	24,700	-5	357.76
Monthly yuan/dollar customs exchange rate			6.8664
Actual Rate (May 25)			6.9041

Xinjiang report

Road transport slows further

Latest data from the China National Cotton Exchange (CNCE) show that 25,000 tonnes of Xinjiang cotton were transported by road to 'mainland' warehouses last week, 900 tonnes less than in the previous week, or down by 3.5 percent, and 2,400 tonnes (minus 8.8 percent) less than during the same week last year. The bulk (12,700) was destined for three eastern destinations: Henan (29 percent), Hubei (17 percent), and Shandong (16 percent). The aggregate volume moved eastward by road

[Related link](#)
[Polyester vs. cotton](#)

from September 1 through May 19 totalled 1,670,000 tonnes, down by 109,500 tonnes, or minus 6.2 percent, year-on-year. The average freight cost by road to 'mainland' destinations decreased, by one hundred yuan, to around 400/500 yuan per tonne.

Long staples

Persistent rainfall was reported in Aksu Prefecture early in the period, and cotton seedlings have been affected significantly. Local growers have reported the worst emergence rate of Xinjiang long staple crops in recent years. Progress is around ten days slower than in 2016. Ginners are bullish about the future price development of long staples, which are now quoted at 21,700 yuan per tonne for Type 137, ex-freight terminal.

Xinjiang textile and clothing industry subsidy decreases slightly in 2017

The 2017 subsidy rates have been reduced from last year in southern Xinjiang, to 800 yuan per tonne for 32s count yarn and above (1,000 in 2016) and 720 yuan for counts below 32s (900), while the subsidy for counts above 60s is unchanged (placing it 100 yuan higher than that for 32s). The rate for woven cotton products is 800 yuan (1,000).

Other regions

According to the latest *Beijing Cotton Outlook* (BCO) survey results, planted area in Hebei Province is expected to increase by around ten percent from last year, due to satisfactory returns from cotton cultivation (offering prices in 2016 increased by 16 percent from the previous year). Drought severity was eased by extensive rainfall in northern China during the period, and cotton seedlings have been progressing well in the region. However, the latest weather forecasts show that high temperatures and drought will continue over the area in the short term.

PCC area may decrease by over eight percent in 2017

The latest field survey shows that over 90 percent of the lint ginned by the Production and Construction Corps (PCC or army group) last year (1,360,000 tonnes) has been sold, comprising 869,000 tonnes of machine-picked cotton (at an average price of 15,569 yuan per tonnes), and 342,600 tonnes of handpicked lots (15,540 yuan, due to poorer quality parameters). This year, the planted area attributable to the PCC is estimated at 8,500,000 mu (566,667ha), down by 8.6 percent from 2016, and planting costs are placed at 1,800/2,000 yuan per mu, slightly lower than last year.

The area cultivated by the PCC's largest producer, the Eighth Division, is expected to reach 2,859,000 mu (190,600ha) in 2017, some six percent more than in last year. Output is forecast at 450,000 tonnes. Crops in this region have made good progress, and it is anticipated that the quality of seed cotton may be improved from last year.

State reserve auctions

The base price for sales during the current week (May 22 through May 26) was set at 15,885 yuan per tonne, up by 333 yuan from the previous week. The rise has tended to dampen demand at the auctions. During the first four days of the week, the volume disposed of totalled 67,788.5 tonnes, which represents just over 56 percent of the catalogues on offer.

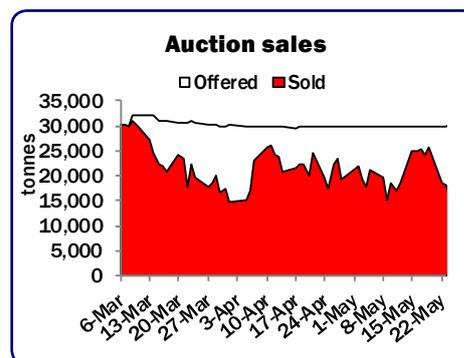
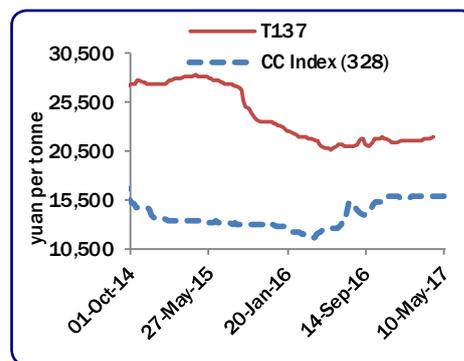
In comparison, from the total quantity of 149,800 tonnes offered for sale during the week ended May 19, 125,200 tonnes were sold, or 84 percent, which marked a sharp increase from the previous week (+25 percentage points). Last week's total consisted of 66,500 tonnes of Xinjiang cotton (53%), and 58,700 tonnes from other provinces. Spinners procured 56,600 tonnes (45%) from the total, which was eight percentage points less than a week ago.

By May 25, cumulative sales since the start of the auction series on March 6 had risen to 1.23 million tonnes, just over 71 percent of the volume offered.

April Raw cotton imports

US cotton accounted for the lion's share (75,192 tonnes) of the 104,857 tonnes of raw cotton imported during April. Other significant suppliers were India (9,580 tonnes), the African Franc Zone (6,026, including 2,399 from Côte d'Ivoire), Brazil (4,485), Uzbekistan (3,197) and Australia (2,746). A breakdown of major suppliers during the first nine months of the

2016/17 international season appears in the accompanying table.



Raw cotton imports

	August/April			2015/16	2016/17
	2015/16	2016/17			
World	644,002	848,322	Turkmenistan	989	3,484
United States	84,666	396,471	Benin	8,263	2,982
India	100,279	144,130	Tajikistan	971	2,492
Australia	180,435	117,477	Argentina	475	2,182
Uzbekistan	111,848	66,607	Zimbabwe	1,525	1,756
Brazil	97,325	43,191	Egypt	1,956	1,750
Greece	-	14,087	Zambia	514	1,693
Sudan	5,526	11,591	Turkey	22	1,313
Cameroon	25,690	10,685	Burkina Faso	2,826	1,035
Mexico	9,365	9,635	Chad	1,100	971
Israel	4,796	5,411	Uganda	-	374
Mali	1,111	4,105	Nigeria	-	331
Cote d'Ivoire	2,921	3,628	Others	1,400	941



Cotton yarn imports

Latest customs data show that cotton yarn imports during April fell sharply from the previous month. Last month's shipments (excluding Chinese-spun yarn) totalled 124,708 tonnes, down from

[Related link](#)
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163,797 in March. The aggregate of the first four months was 610,653 tonnes, which was close to seven percent more than during the same period last year.

Related link
[Monthly cotton yarn imports](#)

AQSIQ White Paper on cotton imports

According to China's White Paper on the Quality of Imported Cotton in 2016, recently released by the *General Administration of Quality Supervision, Inspection and Quarantine of China* (AQSIQ), China's cotton imports have been declining during recent years, impacted by changes to domestic supply and demand and price factors. In 2016, imports mainly consisted of cotton from Australia, the United States, Uzbekistan, India and Brazil. General quality parameters were improved slightly from the previous year but the issue of weight shortage remained prominent. AQSIQ suggested that the relevant enterprises should strive for uniformity of business contracts and the management of imported cotton packaging, and at the same time urged suppliers to enhance quality control of their cotton products.

Ministry of Commerce: China seeks balanced trade, investment with US

China is willing to work with the United States to realise a balanced development of trade and investment, a research report by China's Ministry of Commerce said this week, 'China is the top market for American exports outside of North America, as well as the fastest growing export market for the US. In 2016, China has imported a total of 260,000 tonnes of raw cotton from the US, in a value of US\$500 million.' Given the big supply gap in China during the 2016/17 season (domestic output at 4,680,000 tonnes but consumptions at 7,620,000, as USDA July, 2016 forecast), China will further increase the imports of agricultural products from the US, so as to increase the total benefit, and strengthen China-US trade and economic cooperation at sub-national levels, according to the report.



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PAKISTAN

Cotton planting around 70 percent complete

Hot and dry conditions have prevailed across most of the cotton growing belt, with daytime temperatures rising into the high 30s to low 40s Celsius.

Despite water availability issues in some districts, overall planting has progressed at a good pace, under largely favourable conditions in both Sindh and Punjab. Activity is also now observed in the late-sowing areas of upper Sindh and southern Punjab. According to some upcountry estimates, around 60/70 percent of the targeted final planted area may have been sown.

Initial new crop forward seed cotton sales have been arranged at very high prices of around Rs. 3,500/3,600 per 40 kilos (albeit for extremely modest quantities). These values have been a source of encouragement to growers, who remain committed to increasing cotton area and investing in inputs to maximize returns. Official bodies continue to push for increased cotton production by offering incentives and helping growers with relevant information.

Local cotton rates deemed to be too high

Typical, end-of-season conditions persist in the local market, with nominal unsold stocks (estimated at below 150,000 bales of local weight) being liquidated gradually to mainly smaller mill units with pressing requirements. Most mills are now well covered until new crop. Further, they have maintained that current local prices are above the level deemed workable in relation to prevailing yarn prices. The volume of business has thus remained very modest.

On May 24, 'better quality' cotton attracted between Rs. 6,800 and 7,050 per maund (roughly 79.00/82.00 US cents per lb), ex-gin, up Rs. 50/100 compared with last week, while a small volume of less desirable 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, (down Rs. 100).

A modest new crop transaction, involving just 200 bales for delivery at the end of July, has been arranged at Rs. 7,000 per maund (around 81.40 cents), ex-gin.

Import enquiry lacklustre

Mill enquiry for foreign growths has remained of modest proportions. Despite the recent slide in ICE cotton futures, current crop import offers have failed to attract much buying attention, as mills have not been keen to cover at the prevailing high asking levels, particularly as the first local new crop arrivals are expected in a few weeks' time. The restoration of duty and sales tax on imported cotton (effective mid-July) has doubtless also provided a disincentive. Some new crop business, for smaller import quantities than of late, has continued in US, Brazilian and West African styles. Fine count spinners have covered further modest volumes of Turkmen ELS.

Yarn and textiles

Stable conditions have prevailed in the yarn and textiles market over the last few days. Spinners have reported routine levels of coarse count yarn demand. However, at the top end, fine count spinners complain that demand has been slack. Most local downstream manufacturers have continued to cover only against their nearby requirements. Spinners have generally maintained their asking prices in view of firm raw cotton replacement costs.

Export yarn demand has failed to improve during the reporting period. Foreign buyers continue to hold low price ideas and thus spinners have struggled to conclude volume sales at prices deemed workable.

Once again, offering rates for 20/21s carded yarn have nevertheless been held 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 also unchanged at Rs. 125/126 per kilo, compared with last week.

INDIA

Arrivals and crop news

Sowing in the Northern Zone is thought to be around 85 percent complete. Planting in the rest of the country will begin next month, with the arrival of the Southwest monsoon.

The Meteorological Department has noted the emergence of a 'shear zone of monsoon turbulence', off the coast of the south peninsula. In the next week or so, thunderstorms and pre-monsoon rainfall are anticipated over the Andaman and Nicobar islands, the peninsula and scattered areas in the north east.

Local sources have continued to suggest that an increase in national planted area in the region of 15 percent appears

CCI 2016/2017 arrivals (bales of 170 kilos)

	22-May-17	Change since May 4
Punjab	879,300	2,200
Haryana	1,640,600	30,800
Rajasthan	1,550,600	25,500
Gujarat	7,662,800	209,000
Maharashtra	8,570,700	245,700
Madhya	2,079,400	21,500
Andhra	1,773,200	43,700
Telangana	4,570,600	99,100
Karnataka	1,469,500	47,200
Tamil Nadu	299,750	19,550
Orissa	290,400	400
Others	153,650	400
Total	30,940,500	745,050

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in prospect. In remarks to the press, the President of the Cotton Association of India concurred with that view: 'we have lost area in the last few years. We will recover that lost area as long as the monsoon is normal'.

Nationwide, daily seed cotton arrivals from the tail-end of the current crop are estimated at just over 44,000 lint equivalent bales (170 kgs), including 12,000 from Gujarat and 18,000 from Maharashtra.

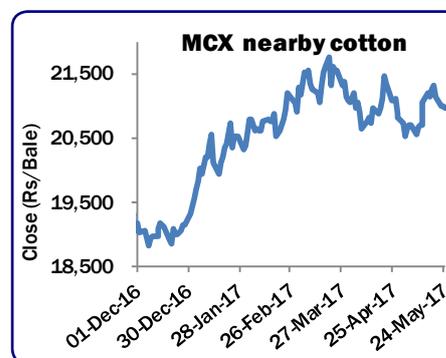
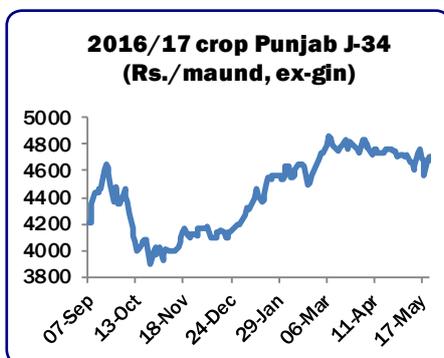
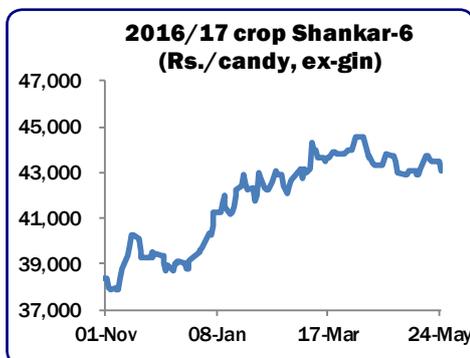
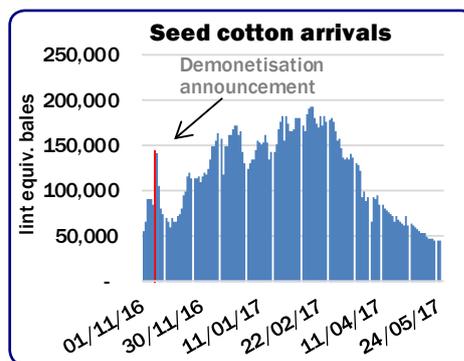
By May 22, according to data compiled by the Cotton Corporation of India, cumulative arrivals totalled 30,940,500 bales, representing around 91 percent of the eventual outturn, by Cotlook's estimate. The corresponding figure a year earlier was 30,035,400 bales.

Prices

Interior asking rates for better quality Shankar-6 have declined this week, to be placed at ₹43,100 per candy, ex-gin, on May 24. At the prevailing exchange rate, that day's equivalent value was approximately 84.75 US cents per lb, the lowest value since mid-March. Punjab J-34 has also moved lower, to ₹4,680 per maund (87.70 cents per lb).

Lower quality S-6 is apparently selling from ₹42,200 per candy (83.00 cents per lb). Business in higher quality lint has remained scarce.

Prices on the lead June contract of the MCX futures market have moved lower this week, to settle on May 24 at ₹20,970 per bale (₹43,865 per candy), or 86.95 US cents per lb, at the prevailing exchange rate. Total turnover decreased considerably, to 223,100 bales, compared with 436,850 during the previous week.



BANGLADESH

The start of the slide in ICE cotton futures at the beginning of the period under review gave several spinners the opportunity to fix some of their outstanding 'on-call' July purchase contracts. The decline in shippers' physical asking rates has also resulted in some fresh mill demand, which has included any African Franc Zone remnant parcels 'afloat', Central Asian lots nearby, or alternatively Indian MCU-5 31mm.

Some spinners are still uncovered for third quarter requirements and supplies available for this shipment period, and further out, have included Australian for shipment July/October and 2017 crop Brazilian for movement towards the end of the year.

Current crop offers in circulation have included Indian Shankar-6, 1-1/8", 28 GPT at 87.50 cents per lb, MCU-5, 30 mm, 30 GPT at 90.50 cents, for prompt shipment, Benin, Type KABA 1-1/8", 29 GPT at around 89.50 cents, for shipment June/July and Brazilian 2016 crop SM 1-1/8" 28 GPT at 88.50 cents, for July shipment.

Confirmed business has included Uzbek BGM 1-1/8", Micronaire 4.0/4.9 NCL, 29 GPT minimum, booked at 93.30 cents per lb, for shipment June/July. Australian SM 1-5/32" Micronaire 3.8/4.9 NCL 29 GPT has moved off at 93.75 cents, for June/July.

Offering rates for Uzbek higher grades 1-1/8" from supplies held in local warehouses have been pitched at between 95.50/96.50 cents per lb and those for Indian Shankar-6 1-1/8" at around 89.00 cents per lb, ex-warehouse. MCU-5 30 mm now commands a 250/400-point premium on Shankar-6, depending on the quality specifications. Additionally, there are some lots of African Franc Zone 's' grades, staple 1-1/8" consigned, asking prices for which are quoted at around 91.50/92.50 cents per lb.

Yarn and textiles

Local yarn selling rates have been held more or less unchanged this week. Carded 30s have commanded a narrow range of around US\$3.25/3.30 per kilo.

TURKEY

Sowing of the 2017/18 cotton crop is effectively complete. Operations have been concluded in a timely fashion, and under generally favourable weather, which has also assisted germination and the early development of plants. Rather cool nights, though, have been a feature of the weather in some areas. Optimism appears to be on the rise with regard to the prospective size of the new crop. Some forecasts indicate a possible rise in output of up to 30 percent, which would place the new season's lint outturn in the region of 900,000 tonnes (versus Cotton Outlook's current estimate of 800,000, which itself would mark an increase approaching 15 percent).

New crop cotton will begin to become available from around mid-September, but it is estimated that some mills have further import requirements to cover before that period.

As far as the past week is concerned, demand from ring spinners has been directed mainly toward Australian. Middling/SM styles longer staple (1-7/32" to 1-1/14") styles have commanded prices approaching 95.00 cents per lb. Customary users of US cotton report that fewer offers of that origin have this week been in circulation. Some buying interest has also been in evidence for such West African current crop lots as are available.

Open-end mills have been enquiring for suitable US and Brazilian qualities, and some business is understood to have been arranged in the latter origin.

Trading on the Izmir bourse this week has been characterised by firm price sentiment, which in turn reflects the depletion of supplies remaining from the domestic 2016/17 crop. Uncommitted cotton typically remains in strong hands.

On May 22, one textile mill booked 500 tonnes of 31 colour grades from Menemen and 350 of the same quality from Söke, at TL 8.15 per kilo (approaching 104.00 cents per lb). A much smaller volume of 41 colour from Torbali moved off at TL 8.00 per kilo (almost 102.00 cents), ex-gin, for payment at one week.

EGYPT

Planting progress

By May 22, the area sown to the 2017/18 is estimated by CATGO to have risen to 180,000 feddan (The Ministry of Agriculture has a slightly higher figure), suggesting that just over 35,000 feddan had been sown during the previous two weeks. The latest figure represents less than 70 percent of the area projected for the season of 260,700 feddan. The 2016/17 crop was planted on an estimated 131,605 feddan.

[Related Link](#)
[Projected Area](#)

Market news

The *Cotton Arbitration and General Organisation* (CATGO) has reduced its estimate of output from the 2016/17 crop to 730,000 cantar (50 kgs), equivalent to 36,500 tonnes, of lint. The adjustment appears to have added to the prevailing mood of confidence in the export sector. The supply and demand position is viewed as supportive, despite the rather sluggish pace of recent sales.

During the week ended May 20, new export registrations totalled 381.5 tonnes, according to *ALCOTEXA*, comprising 275 tonnes of Giza 94, 64.5 of Giza 86 and 42 of Giza 95.

The prices at which registrations were made were 142.75 US cents per lb for 250 tonnes of Giza 94 and 150.00 cents for a further 25 tonnes; 125.00 cents for 39 tonnes of Giza 86 old crop and 144.00 cents for 25.5 tonnes of Giza 86 from the current crop; 111.00 cents for the Giza 95.

Cumulative registrations for shipment this season amount to 34,226.48 tonnes, of which 73 percent have been shipped.

It is understood that the firmness of international prices may encourage the Holding Company, which retains an estimated 60,000 cantar (3,000 tonnes) or less of old crop stocks, to make some quantities of Giza 86 available to local mills. Even without the subsidy of £650 per cantar in force this season, it is understood that the cotton in question is priced more competitively than imported supplies.

Textile developments

It is reported that the Minister of Commerce and Industry has decided to constitute a Supreme Council for Textile Industries, which will bring together the Chairmen of a broad range of industry bodies. Amongst the Council's first tasks will be to evaluate the reasons that have led to the cessation of production at an estimated 2,500 factories or more.

Interest rates

On May 21, the Central Bank increased interest rates, in an endeavour to rein in rising inflation. The benchmark deposit rate was raised by 200 basis points to 16.75 percent. In April, inflation increased to 31.5 percent, the highest rate since June 1986.

2016/17 season export data

(as at May 20, 2017)

	Registered	Shipped	%age shipped
India	16,292.00	12,353.70	76%
Egypt Free Zone	5,009.50	3,037.50	61%
Pakistan	4,015.50	2,967.50	74%
Turkey	1,545.50	1,261.50	82%
Bangladesh	886.00	886.00	100%
Others	6,477.98	4,639.78	72%
Total	34,226.48	25,145.98	73%

FAR EASTERN MARKETS

During the week under review, the weakness in ICE futures and subsequent fall in shippers' asking rates have generated a modest broadening of physical mill demand. The bulk of spinners' enquiry has been focused on gaps in nearby shipment requirements, to be filled from those cottons still available for third quarter shipment, such as Indian and Australian, or those that will shortly be coming on stream, such as various southern and east African origins, Argentine and Brazilian.

Recent CFR transactions in **Taiwan** have included 150 tonnes of Argentine 2017 crop, SLM 1-1/16" G-5, bought at 84.50 cents per lb, for shipment June. In addition, 300 tonnes of Indian Shankar-6 roller-ginned, lower grade, staple 1-1/32" Micro-naire 3.0 NCL have found buyers at between 69.50/71.00 cents, for prompt shipment. For Taiwanese-owned operations in Lesotho, 310 tonnes of Zimbabwe/Zambian at seller's option, roller-ginned, SM Light Spotted 1-1/8" G-5 28 GPT minimum, have been taken up at 89.50 cents per lb, also for shipment June, CIP Lesotho. For Taiwanese-owned operations in Vietnam, 200 tonnes of US Eastern/M/O/T 'greencards' 31-3-36 G-5 have been procured at 92.75 cents, for shipment by June 10, CFR HCMC.

During the past week, purchases in **Indonesia** have mainly comprised Brazilian: Middling 1-1/8" G-5 has moved off at 87.50/88.00 cents per lb, for shipment June/July and, from the same origin, Middling Spotted 1-1/8" G-5, has been booked at 86.50 cents, for shipment July. Forward requirements have also been filled with Brazilian Middling, arranged 'on-call' ICE futures, for shipment October/December.

During the week ended May 19, a few mill buyers in Japan entered the market when July futures dipped below 80.00 cents per lb. Spinners focused on Australian and US Eastern/M/O/T supplies, for shipment June/July. Total estimated volume was around 3,000 bales.

In Thailand, the downward trajectory of ICE futures has resulted in some nearby buying opportunities. Mention had been made of purchases of small parcels of Indian Shankar-6 and African origins. It is thought that some US has also changed hands, although shippers' offers for shipment before new crop becomes available have become scarcer.

EXPORT SALES

During the week ended May 18, net export sales of upland cotton for shipment during the current 2016/17 season amounted to 16,200 running bales, a marketing-year low. Increases were reported for Turkey (10,800), Brazil (8,800), Vietnam (8,500, including 4,400 switched from China and 400 switched from Indonesia), Malaysia (3,400, including 500 switched from Indonesia) and China (3,100). Reductions were reported for India (11,500) and Bangladesh (4,300).

Export shipments of 332,800 running bales were mainly for Turkey (76,700), Vietnam (61,000), India (47,100), Mexico (22,400) and Pakistan (14,800).

For 2017/2018, net sales of 236,200 running bales of upland cotton were reported, primarily for Vietnam (125,000), Indonesia (42,000), China (26,400), were partially offset by reductions for Mexico (3,300).

Net sales of Pima for the 2016/17 season totalled 5,600 running bales. Increases were primarily for China (3,200), Indonesia (1,200, including 200 switched from Japan), India (600) and Egypt (500).

For 2017/2018, net sales of 1,800 running bales were reported for Indonesia (1,000) and Egypt (900), were partially offset by reductions for India (100).

EXPORT STATISTICS

Official return, week ended, May 18.	UPLAND	PIMA
-in running bales-		
2016/2017 season		
Previous Outstanding Commitment	3,078,800	104,500
New Sales	64,200	5,600
Cancellations	48,000	0
Net Change in Sales Commitment	16,200	5,600
Shipped during the period	332,800	13,000
Cumulative Shipments to, May 18.	10,911,600	509,000
Total Outstanding Commitment	2,762,200	97,100
Theoretical Disappearance	13,673,800	606,100
2017/2018 season		
Previous Outstanding Commitment	2,621,300	53,800
Net change in Sales Commitment	236,200	1,800
Total Outstanding Commitment	2,857,500	55,600

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UNITED STATES

ICE futures continue retreat

Cotton No. 2 futures continued the downward move that began towards the end of last week, as the market reversed direction after the earlier strong rally. Futures recorded losses in three out of the five sessions this week.

The July '17 contract immediately started the reporting period under pressure, losing 93-points on May 18 before getting a slight break in the downside action during the next session when the spot month gained 21-points. Additional selling during the two following trading days dropped the July '17 contract 223-points to settle on May 24 at 77.54 cents per lb, a downturn of 263 points on the week, and its lowest level since May 11. July has recorded a total net loss of 778-points since the peak attained at the close on May 15.

New crop December futures also moved lower during the week, settling on negative ground in four of the five sessions for a total net loss of 138-points.

The July/December spread was last reported at a 446-point July premium, narrower than the 571-point margin in place a week earlier, and well below the 1,400 points plus reached during intra-day trading at the height of last week's price volatility.

Business on most export markets market has remained slow, with some light forward demand reported for US growths. Available supplies, however, also appear limited. Sellers with nearby availabilities in hand seem more willing to sell as the July delivery period approaches.

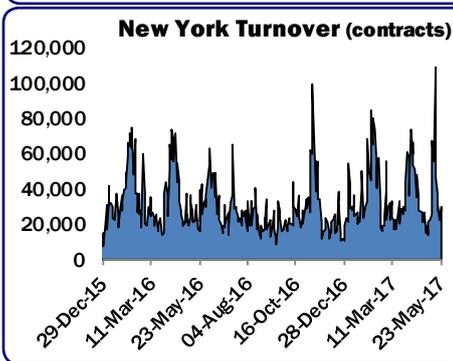
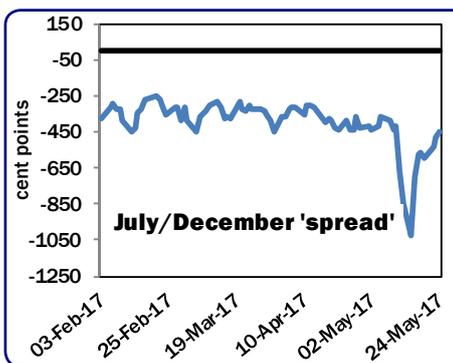
Daily trading volumes have slowed somewhat from the previous week and aggregate turnover during the five-day period totaled 143,449 contracts.

Certificated stocks have continued to increase and were last reported at 411,726 bales, with another 1,697 awaiting review. New certifications since May 12 have totaled 94,055 bales through May 24. Certificated stocks have been reported over 400,000 bales for the first time since early July 2014; a peak of 462,584 was recorded on July 2, 2014.

Speculators increased their net long position to 41.6 percent of total open interest (264,211 contracts on May 16) versus 40.3 percent net long the previous week, as reflected in the latest CFTC commitments of traders data. Specs increased their long holdings by 7,124 and short holdings by 1,041. Hedgers added 327 longs and 8,781 shorts for a resultant net short margin of 43.7 percent.

In contrast to some expectations, US upland export registrations for shipment during the current marketing year showed a net gain, albeit modest one, at 16,200 running bales, during the week ended May 18. Cancellations of 48,000 bales were more than offset by fresh sales. The net increase in upland sales for shipment in 2017/18 was 236,200 running bales, and upland shipments were strong, at 332,800 bales.

The cumulative export sales registrations (all cotton) for this season is equivalent to some 14.85 statistical bales of 480 lbs (against USDA's latest forecast of 14.5 million), while that for 2017/18 stands at just over three million bales (14 million).



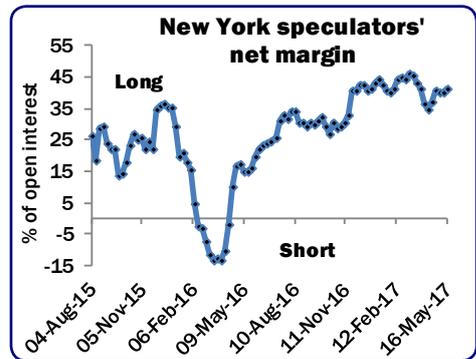
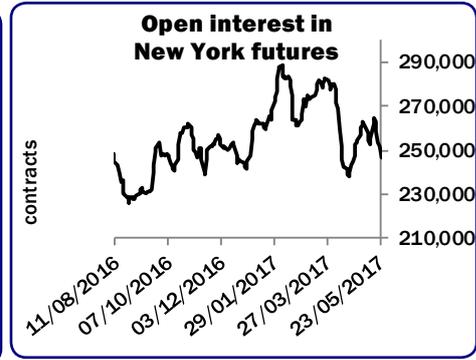
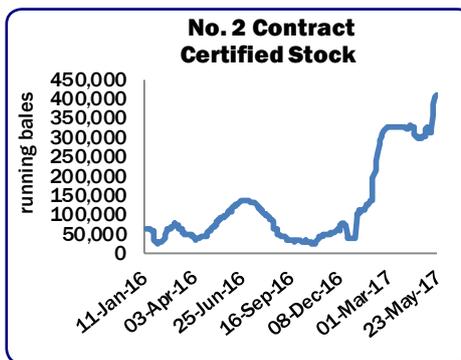
ICE No. 2 Cotton Futures
(in cents per lb)
No. 2:

	24-May	17-May	Change
July-17	77.54	80.17	-2.63
Oct-17	74.50	76.56	-2.06
Dec-17	73.08	74.46	-1.38
Mar-18	72.85	73.75	-0.90
May-18	73.18	73.80	-0.62
July-18	73.38	73.79	-0.41
Oct-18	71.44	71.82	-0.38
Dec-18	71.40	71.95	-0.55
Mar-19	71.39	71.94	-0.55
May-19	71.43	71.98	-0.55

Certificated stock as of May 23 totaled 411,726 bales.

Chicago Futures
(in cents per bushel)

	24-May	17-May	Change
Soybeans			
July-17	948.25	975.75	-27.50
Sep-17	947.75	970.50	-22.75
Nov-17	948.00	967.75	-19.75
Wheat			
July-17	432.50	427.00	5.50
Sep-17	446.00	440.25	5.75
Dec-17	467.75	461.75	6.00
Corn			
July-17	371.25	371.50	-0.25
Sep-17	379.00	379.25	-0.25
Dec-17	389.75	389.00	0.75



Related links
[US export history](#)

Sales on *The Seam's* business exchange totaled just two bales, down considerably from last week's 4,498, and sold for an average price of 73.50 cents per pound. There were no sales reported on the grower side. Season-to-date totals therefore amounted to 384,995 and 1,203,524 bales on the respective business and grower platforms.

CCC Loan Activity

Upland loan activity increased during the period ended May 15, according to the Commodity Credit Corporation's latest report. Redemptions from the 2016/17 crop rose by 206,530 bales, increasing the marketing year total to 7,703,143 bales. Just 5 bales were entered into the government loan program during the period. No repayments or forfeitures were reported from the 2015/16 crop. Thus, the unpaid loan balance for both crop years fell by 206,525 bales to 1,670,706, of which independent farmers controlled 159,155 and cooperatives and loan servicing agents held 1,511,551 bales.

American Pima

PIMA SPOT QUOTATIONS

Selected markets to May 24 compared with May 17 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 May 15, 2017

	Total Entries	Repayments	Forfeitures	Outstanding Stock
2016/17	284,963	224,314	-	60,649
2015/16	266,785	266,785	-	-
	551,748	491,099	-	60,649

Previous Total Outstanding (May 8):

	2016/17	2015/16
Arizona	3,285	-
California	52,329	-
New Mexico	2,063	-
Texas	2,972	-
Pima Total	60,649	0

Spot market sales for the week ended May 24 totaled only 2 bales from West Texas, versus last week's 4,702. Basis levels, beltwide, remained unchanged on the week.

New crop Pima business picking up

Nearby Pima offers have become few and far between with little crop left. Cotlook's current 2016/17 2-2-46 Pima quote was made nominal on May 23, at a price of 172.00 cents/lb. On the same day, a new crop Pima quote was introduced at 155.00 cents/lb with merchants reporting recent business at around that level or modestly below into Far East markets.

The California Pima crop has been progressing satisfactorily but cooler temperatures early in the period slowed development. Producers were busy monitoring the crop for early signs of seedling disease and insect pressure. Pima has been making good progress in the Desert Southwest, under warm, dry weather. The crop in Yuma, Arizona is producing squares and blooming with a few reports of bolls forming.

US Upland Statistics

LOAN STATISTICS

CCC Data as of May 15, 2017 (running bales):

Crop	Total Entries	Repossessions	Forfeitures	Outstanding Stock
16/17	9,373,366	7,703,143	0	1,670,223
15/16	6,757,528	6,757,045	0	483
Totals	16,130,894	14,460,188	0	1,670,706
Last period's total (May 8)				1,877,231

*Including 159,155 bales held by individuals and 1,511,551 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	48,278	-
S. Carolina	23,325	-
Georgia	263,818	-
Alabama	63,001	-
Florida	26,320	-
Virginia	4,953	-
Southeast	429,695	0
Tennessee	146,613	52
Missouri	146,716	-
Mississippi	226,656	-
Arkansas	223,024	-
Louisiana	19,122	-
Memphis Terr	762,131	52
Texas	377,940	-
Oklahoma	25,888	-
Kansas	8,732	-
South West	412,560	0
New Mexico	9,399	-
Arizona	20,794	431
California	35,644	-
Far West	65,837	431
Upland Total	1,670,223	483

SPOT MARKETS

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

	Prices		Turnover
	24-May	17-May	
Southeast	76.79 (79.42)	0	
N. Delta	76.04 (78.67)	0	
S. Delta	76.04 (78.67)	0	
E. Tx/Okla	74.75 (77.25)	0	
West Texas	74.75 (77.25)	2	
Desert Southwest	72.04 (74.67)	0	
San Joaquin Valley	73.04 (75.67)	0	
7 MARKET AVERAGE	74.78 (77.37)		

Turnover for the period ending May 24

Total turnover for season to May 24 1,560,876

Selected markets to May 24 (May 17 values in parenthesis)

NORTH DELTA

	Middling (31)	SLM (41)
1-1/16" (34)	76.79 (79.42)	76.04 (78.67)
1-3/32" (35)	77.29 (79.92)	76.54 (79.17)

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

NY No.2 July '17 -150

SAN JOAQUIN VALLEY

1-3/32" (35)	81.94 (84.57)	75.04 (77.67)
1-1/8" (36)	85.44 (88.07)	75.84 (78.47)

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

NY No.2 July '17 +440

WEST TEXAS

15/16" (32)	72.25 (74.75)	70.75 (73.25)
1" (33)	74.00 (76.50)	71.50 (74.00)
1-1/32" (34)	74.75 (77.25)	74.75 (77.25)

W. Texas Micronaire (cent points per lb):

	24-May	17-May
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	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.

Sowing is expanding rapidly

Planting activity has reached a peak across the belt, and work is ahead of the normal pace in 8 of the 15 main producing states, including Texas. The USDA reported that 52 percent of fields were sown beltwide as of May 21, compared with the five-year average of 50 percent.

In Texas, 42 percent of the crop was sown to that date, up 18 percentage points on the week and 6 points better than the five-year average.

Growers across West Texas have been working long hours in an attempt to get the seed in the ground ahead of looming insurance deadlines. In order to qualify for full insurance coverage, planting must be completed by May

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31 on parts of the High Plains, while other areas on the Rolling Plains have until around mid-June.

Intermittent thunderstorms developed during the period, bringing damaging winds, hail and light to moderate rains across the region. The moisture has eased dry soils and is enhancing germination. Most young seedlings are showing good vigor, and the return of summer-like weather will help push development. Strong storms have dumped moderate to heavy rains from the Southern Rolling Plains to central parts of the state. Severe weather occurred, with hail, damaging winds and tornadoes. Summer-like temperatures are in the near-term forecast, which will help soft soils firm and allow outside activities to resume.

Similar conditions have been witnessed across South Texas, where the crop is further advanced. Scattered rain, hail and damaging winds have been reported in isolated locales, with heaviest precipitation accumulations recorded in the Upper Coastal Bend. Flash flooding has occurred in many low-lying areas, and warm, open weather would be welcome to help fields dry.

Crop development has progressed rapidly across the region, owing to the unseasonably high heat earlier this month. Blooming has increased in the Rio Grande Valley, and fruit set appears fairly good. According to the latest US Drought Monitor data for the week ended May 16, soil moisture levels across the RGV ranged from 'abnormally dry' to 'severe drought'. Consequently, irrigation water continues to flow in fields, where possible. Many stands in the Coastal Bend are at the squaring stage, and the cool, wet weather has helped reduce stressful growing conditions.

Widely scattered storms have been reported in the **Memphis Territory**. Temperatures have ranged from abnormally warm to unseasonably cool. Light to moderate precipitation has fallen recently, and planters are idle. Producers made good progress in getting the crop in the ground ahead of the storms.

Sowing gained momentum across the Delta during the week ended May 21, and work is near or ahead of the five-year average in all states, except Missouri. The greatest advance on the week was reported in Tennessee, followed by Arkansas, and Mississippi. Less than 5 percent of the Louisiana crop remains to be sown, and work should be completed soon. Meanwhile, some Arkansas growers have been busy removing debris and soil deposits from low-lying fields that were underwater earlier this month in preparation for re-planting.

A slow-moving storm system has continued to train along the same path through the **Southeast** this week. Much-needed rain has fallen in drought-stricken areas, with locally heavy precipitation of as many as 8.0" recorded in central Alabama. Prior to the recent storms, some dryland stands were spotty and struggling from the lack of moisture. Soils are now saturated, and flash flooding has occurred. Damaging winds and tornadoes have been reported in some of the stronger storms. Planters, therefore, remain at a standstill in most states, and although seeding is ahead of schedule in Alabama, Georgia and South Carolina, open weather would be welcome soon to allow sowing activities to be completed in a timely manner.

Meanwhile, outside work is proceeding at a rapid pace in the **Far West** under fair skies. Highs have ranged from the upper 90's to the low 100's (F) of late, enhancing emergence and boosting seedling development. In California, 61 percent of the crop was sown as of May 21, compared with 93 percent this time a year earlier and the 94 percent average.

Outside activities are proceeding at a steady pace, and good weather remains in the near-term forecast, which will give farmers time to finish planting. Crop management, though, will prove difficult this season, owing to weather-related delays this past spring and the different stages of development. Good growing conditions will be required in the upcoming weeks to ensure healthy stands.

Less than 10 percent of Arizona fields are left to be planted, and seeds are emerging quickly. Hot, dry conditions remain in the near-term forecast, which will boost plant development. The Yuma County crop is progressing satisfactorily. Blooming is increasing, and small bolls have been witnessed on a few plants. In central parts of the state, pinhead squares were sighted on some of the earlier-sown fields. Insect pressure remains light and under control across the state.

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Plantings

21/05/2017

-percentages-

	May 21	Previous Year	5-Year Average
Southeast			
North Carolina	62	55	67
South Carolina	64	61	63
Georgia	60	55	57
Alabama	75	69	67
Virginia	66	44	71
Memphis Territory			
Tennessee	70	65	57
Missouri	68	94	79
Mississippi	72	79	69
Arkansas	84	92	85
Louisiana	95	75	83
Southwest			
Texas	42	31	36
Oklahoma	37	29	28
Kansas	8	6	22
Far West			
Arizona	90	98	96
California	61	93	94
Summary	52	45	50

*These 15 states planted 99 percent of last year's cotton

Related links
[US planted area](#)

US PRICE MECHANISM

US PRICE MECHANISM

- 2016/2017 season -

- value if applied today, May 25, 2017 -

Take 5-day average of:-

A) Five Far Eastern Midd.1-3/32" CFRs	86.68
B) Three Far Eastern 'fine count' CFRs	88.50
C) Three Far Eastern 'coarse count' CFRs	86.65
D) Cheapest US Midd. 1-3/32" CFR	87.40

ADJUSTED WORLD PRICE CALCULATION

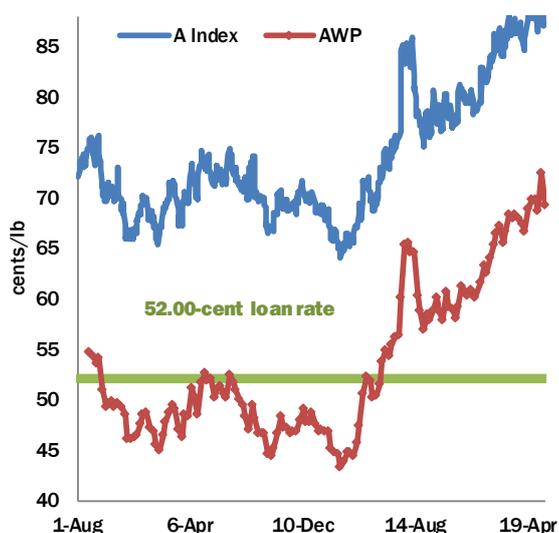
Deduct from A	
Average cost to market	14.53
Loan Quality Differential	
(at average location) between:	
Middling 1-3/32"	54.90
SLM 1-1/16"	52.00 2.90
E) Total Adjustment Factor	17.43
F) Adjusted World Price (A - E)	69.25
G) Fine Count' Adjustment Factor	must be above zero
2016 crop (current values 1.90-(B-A))	0.18
H) Coarse Count' Adjustment Factor	must be above zero
(current values A-C-5.55)	-5.52
I) Loan Deficiency Payment, Basic Loan (52.00) - F	-17.25

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 17.25 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)	170.40
P2) P1 adjusted for quality and transportation ((P1+2.04)-18.39)	155.16
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	172.00
P6) Weekly average cheapest competing foreign quote CFR Far East (adjusted for quality) (P1+2.04)	172.44
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 May 25	N/A

ARGENTINA

The harvest continues to make rather faltering progress, the prolonged period of clear, dry conditions that is needed for picking to regain momentum having so far proved elusive. Activity has instead continued to be hampered by intermittent light rains. Four or five days of mainly dry weather came to an end on May 23 and 24, when light, scattered showers returned to several parts of the cotton-producing region. Reports suggest that rather better progress has of late been made in Santiago del Estero than in Chaco. Reports from Salta confirm that the frequent rainfall received over the past several weeks are likely to affect both the size and the quality of the province's crop.

Weather forecasts for most producing provinces indicate continued instability until next weekend. The weather is expected to clear rather sooner in Santiago del Estero.

Local mill buying has continued in the customary, selective fashion, and some limited export business was arranged prior to the latest downturn in New York futures. A further 900 tonnes of new crop export business have been registered. Offers this week have been relatively scarce.

The peso has this week weakened against the US dollar, a movement attributed to the repercussions of political developments in Brazil.

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SPAIN

Reports from the major cotton-producing areas in the province of Sevilla remain encouraging with regard to the appearance of the crop. Should good weather assist plant development over the coming months, the harvest may be under way by mid-September. Clear skies currently rule over the region, with daytime temperatures rising to 30° Celsius or slightly higher.

Estimates place the planted area at around 65,000 hectares, which (depending on eventual yields) would imply a lint out-turn of around 65,000 tonnes. Of that volume, it is privately suggested, perhaps 50 percent has thus far been committed from first hands to the trade. Recent business has been arranged at prices around 450 cent points 'on' December, ex-gin, for Middling 1-3/32". Ginners appear reluctant at this stage to add to their sales commitments.

AUSTRALIA

As forecast last week, many areas in Queensland and New South Wales (NSW) were exposed to rainfall that began last Friday (May 19) and continued through the weekend. Southern NSW areas received the heaviest downpours, with Hay and Hillston subjected to over 40 millimetres of rain. Prior to that weekend, Queensland and NSW had received only nominal amounts of rainfall during the month of May. The earlier dry conditions were helpful while the harvest was in full swing and the majority of cotton had been picked by the time the rain arrived.

Around 25,000 hectares in southern New South Wales, however, still have bolls on the stalk. Thus, recent precipitation will delay the picking process on this final area and may affect quality, where open bolls were exposed to excessive rain. In addition to last weekend's wet weather, there were further showers across NSW on May 24, but the near-term forecast is for dry conditions to return.

		Selected rainfall data (mm)								to 24
		Oct	Nov	Dec	Jan	Feb	Mar	April	May	
Queensland										
St George	SW	40	15	61	17	22	60	30	6	
Dalby	Darling Downs	14	58	40	94	40	200	2	12	
Emerald	Central Highlands	18	10	63	70	32	205	0	19	
New South Wales										
Moree	Northern	57	23	35	19	12	156	22	43	
Walgett	NW	52	9	40	20	0	95	18	33	
Narrabri	Northern	60	18	27	105	12	193	13	22	
Hay	Western Riverina	24	29	19	9	2	9	42	50	
Hillston	Western Lachlan	35	22	50	6	5	11	23	45	
Trangie	Central	54	23	101	20	0	86	4	12	

BETTER COTTON INITIATIVE – GLOBAL COTTON CONFERENCE

As reported briefly in last week's issue, almost three hundred delegates gathered in Berlin between May 16 and 18 to attend the first Global Cotton Conference organised by the Better Cotton Initiative. The acknowledgement that "with growth comes visibility" provided the motivation behind the organisation's decision to expand its annual meeting to embrace a broader constituency from the cotton industry, including non-BCI members.

Opening the event, BCI Chief Executive Alan McClay asserted that the organisation was "moving forward, with incremental change, on a very broad front." During 2015/16, an estimated 2,504,613 tonnes of "Better Cotton" were produced worldwide (up from 1,945,699 tonnes the previous season). The cotton in question was grown by 1,528,537 farmers (1,220,843 in 2014/15) on 3,491,263 hectares (2,599,356).

BCI's ambitious target is to expand its share of world cotton production from the current 12 percent to 30 percent by 2020. That threshold is considered a 'tipping point', at which cotton produced within the BCI framework could be considered to have entered the mainstream.

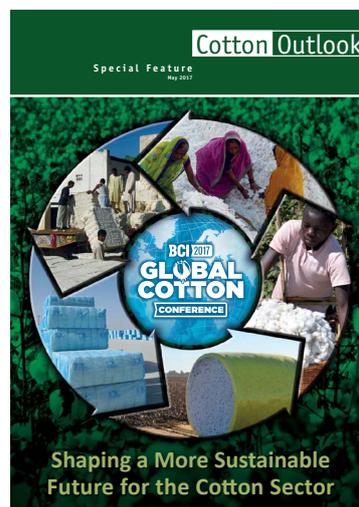
The challenges posed by 'scaling up' further were alluded to by various speakers. BCI currently has over 1,000 members, of which about 60 are retailers or brands. However, new members joining from the downstream end of the supply chain typically bring with them numerous of their own suppliers.

The benchmarking process by which other sustainable standards, such as those that exist in Brazil and Australia, can become aligned with those of the Better Cotton Initiative, was addressed in a panel discussion ("Joining Forces to Scale More Sustainable Cotton"). In order to benchmark, there is a need for equivalence, as well as production principles and criteria that are well developed.

According to BCI, 'benchmarked' Better Cotton accounted for just under half (48 percent) of the global total produced in 2015/16. Brazil contributed 832,000 tonnes, Australia (MyBMP) 52,000 and Cotton Made in Africa/Smallholder Cotton Standard a further 318,613 tonnes.

BCI is working hard to engage with the cotton sector in the United States, and some optimism was expressed with regard to the eventual success of that process.

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During the course of the conference, discussion also focused on demand for BCI cotton, and the current disparity between the supply of "Better Cotton", and its uptake by spinners. The gap has narrowed somewhat, but remains substantial. One broadly welcome consequence of the preponderance of supply over demand has been that market premiums payable for BCI cotton (over non-BCI) are modest.

Chain of Custody concepts and the related issues surrounding Traceability were the subject of various presentations. Since the segregation of specific bales of cotton throughout the supply chain often presented insurmountable challenges, a 'mass balance' approach was often the norm. However, new techniques that allow for the marking of fibre presented opportunities to improve traceability and verification. Having remarked that agriculture remains one of the least 'digitised' areas of commercial activity, Mark Pryor, Chairman and CEO of *The Seam*, outlined the possibilities offered by applying Blockchain technology in the execution of cotton contracts.

Presentations on the world market from Jürg Reinhart (Paul Reinhart AG, and current President of the International Cotton Association) and Carl Peltzer (Cargill) shed light on the structure of the world raw market, the importance of the ICE futures contract in the process of price formation and the current world supply and demand situation and outlook. The outlook for 2017/18 is for a rise in world production in response to firm prices, and an increase in supplies outside China, while accumulated stocks within that country are set to be reduced further.

Thomas Silverborn, Parliamentary State Secretary at the German Federal Ministry for Cooperation and Development addressed the meeting. He emphasised the imperative of decoupling growth from resource depletion, and outlined various aspects of his government's National Sustainability Strategy, of which sustainable textile procurement was a part.

Joost Oorthuizen, Executive Director of IDH, the Sustainable Trade Initiative, noted that the Better Cotton Initiative is one of the most successful commodity initiatives in terms of the scale it has achieved, but cautioned against complacency and urged the organisation to remain self-critical. IDH was launched by the Dutch government, and now has participation from Norway, Denmark and Switzerland. It is one of several BCI funding partners, whose monies complement those derived from members.

Keynote addresses at the beginning and end of the conference sought to place BCI's mission within a broader context, by reference to the seventeen Sustainable Development Goals adopted at the United Nations in 2015, and the concept of 'planetary boundaries' proposed by environmental scientists.