



Recent Trends in U.S. Cotton and Sorghum Exports and their Impact on the South



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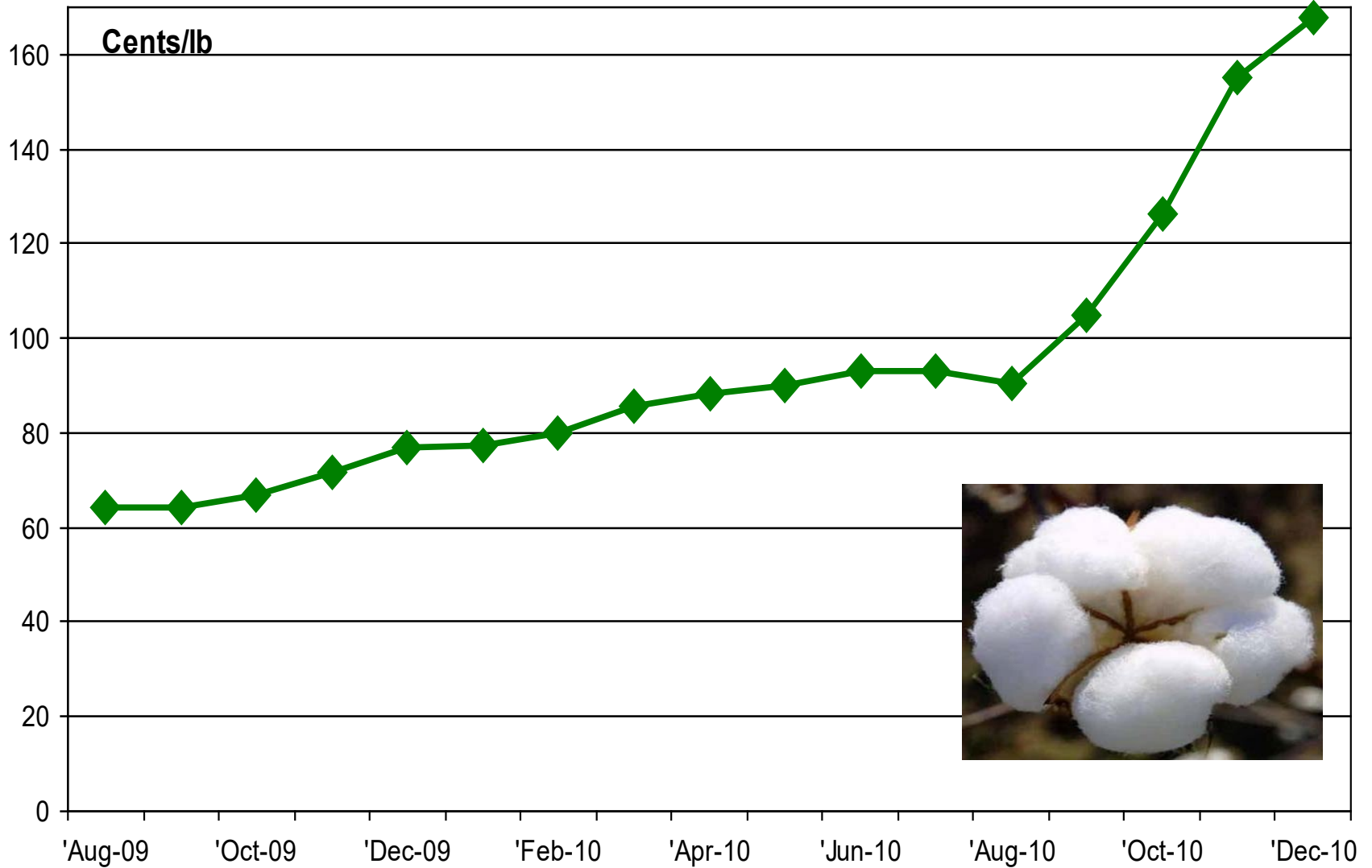
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Outline

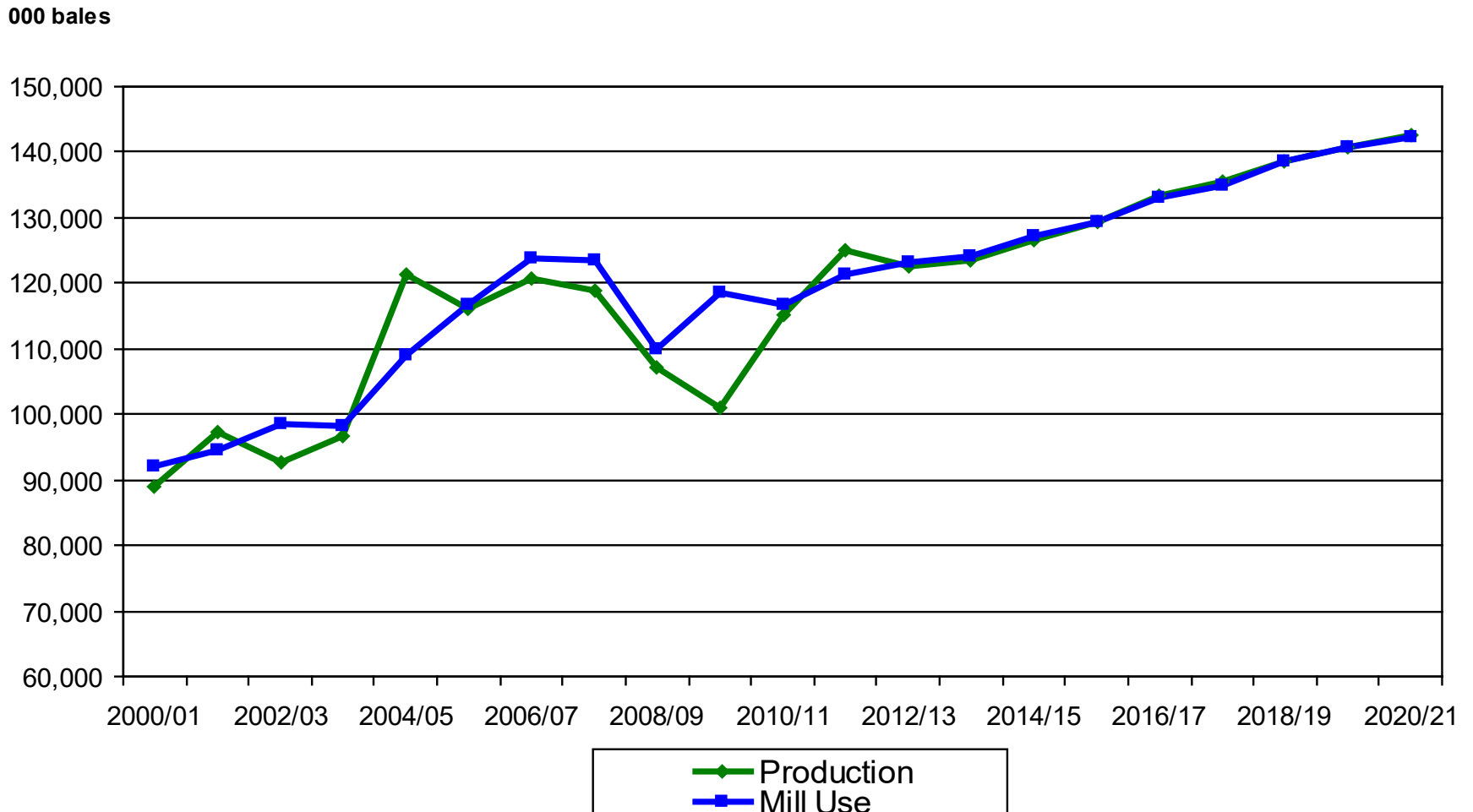


- ❖ **Cotton Price and Exports**
- ❖ **Cotton in the South**
- ❖ **Cotton Trends and Expectations**
- ❖ **Sorghum Price and Exports**
- ❖ **Sorghum in the South**
- ❖ **Sorghum Trends and Expectations**
- ❖ **General Remarks**

Cotton Price A Index (Monthly)



World Cotton Production and Mill Use

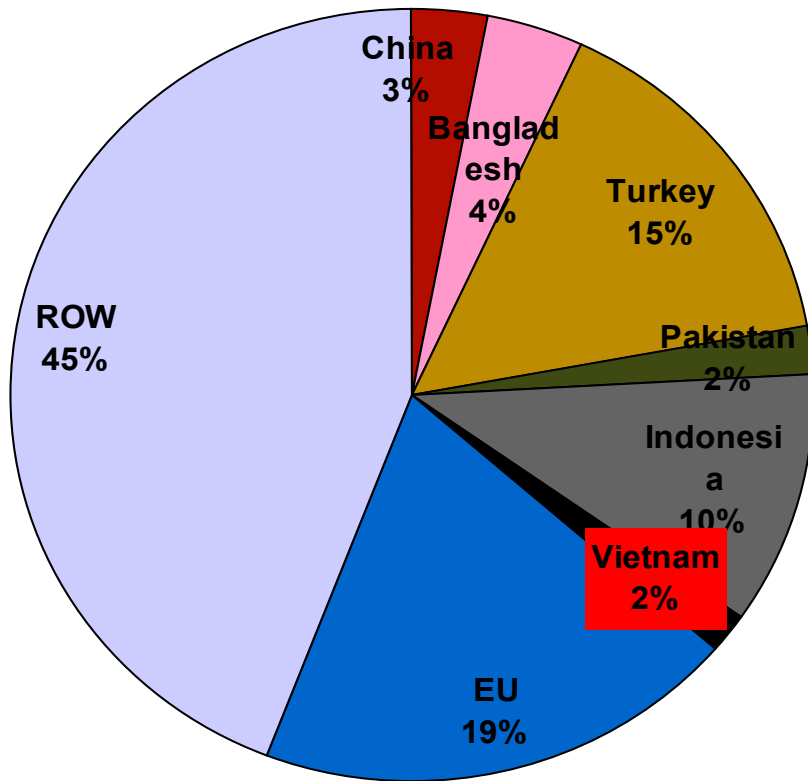


Source: CERF

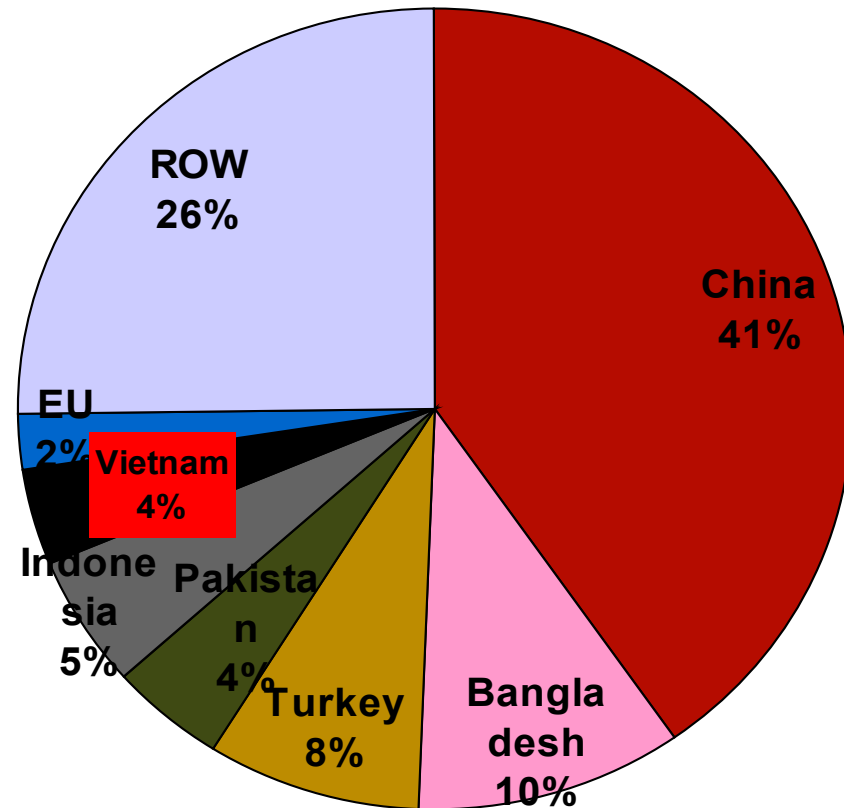
World Cotton Imports



2000-01



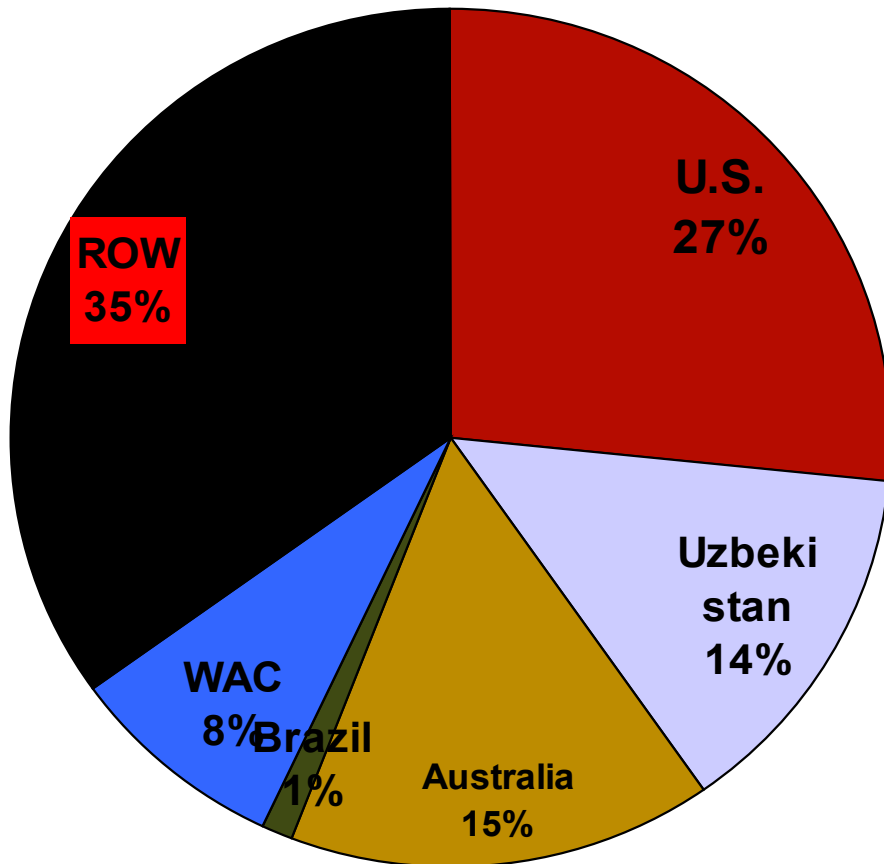
2010-11



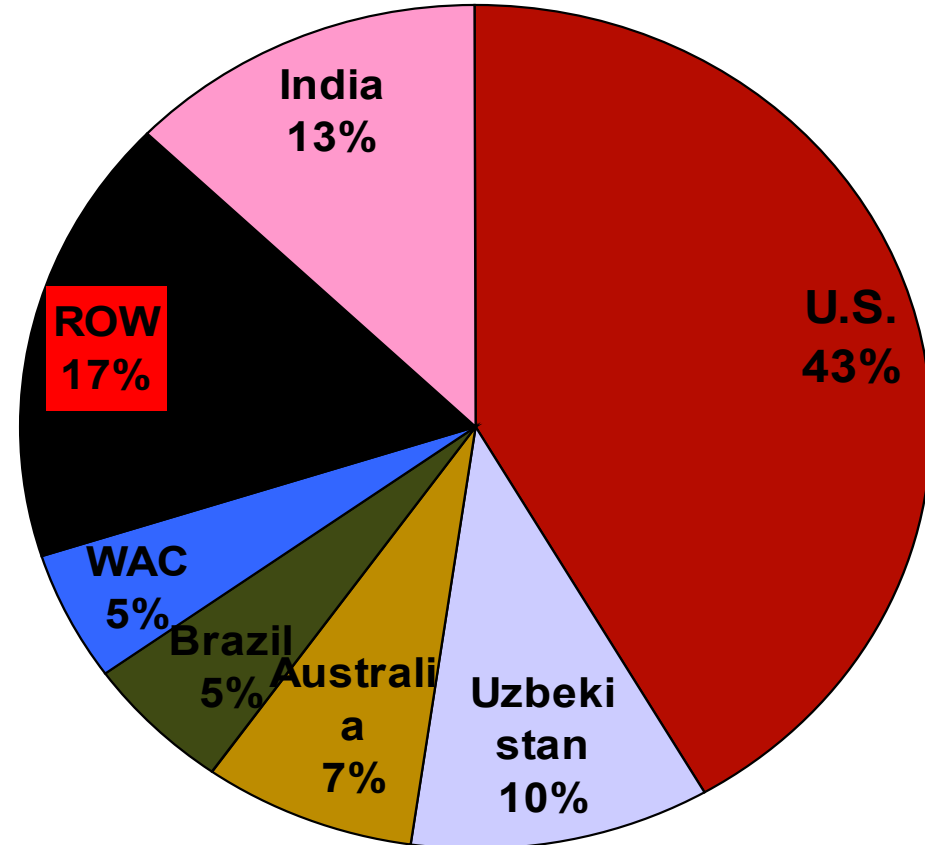


World Cotton Exports

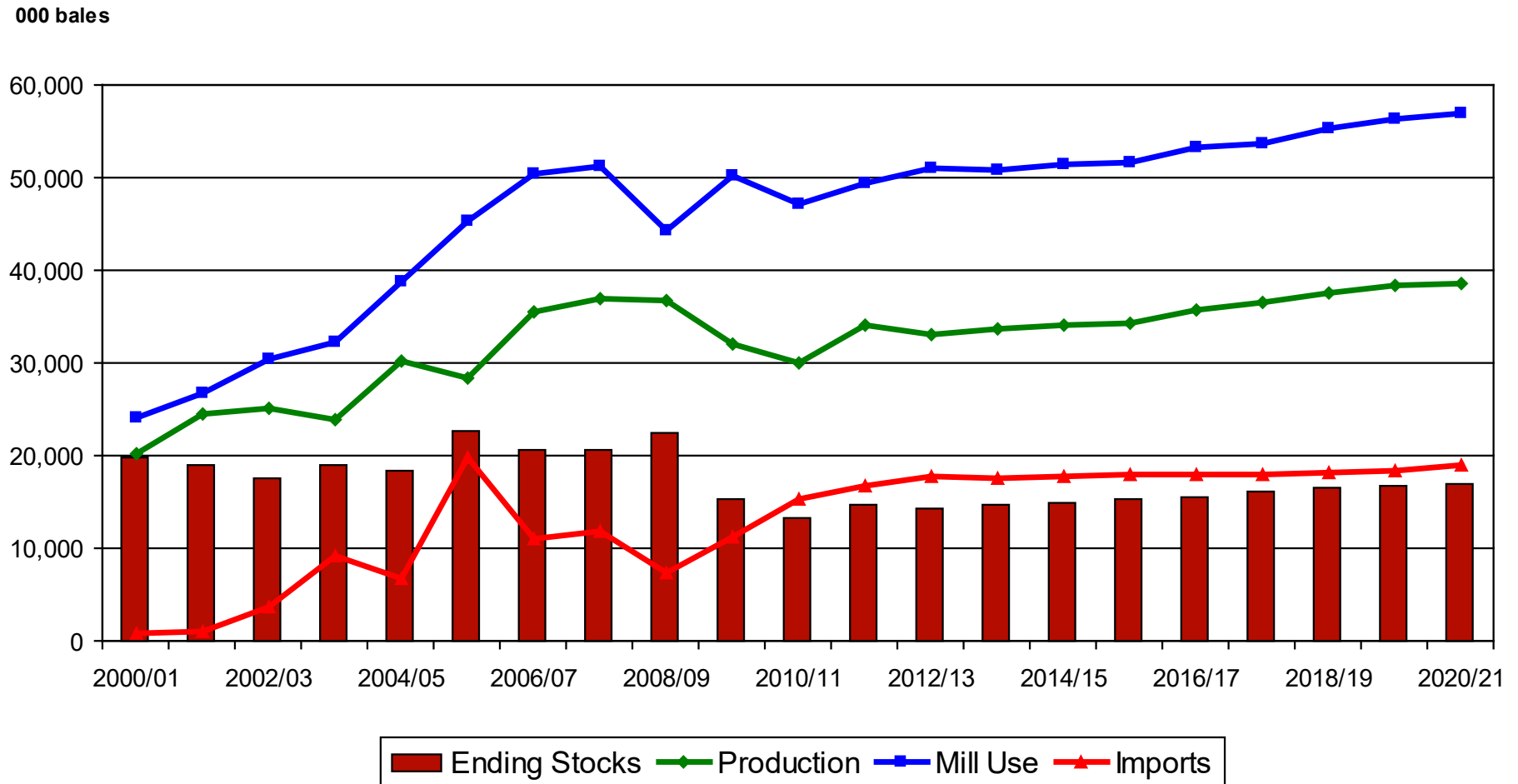
2000-01



2010-11



Cotton China

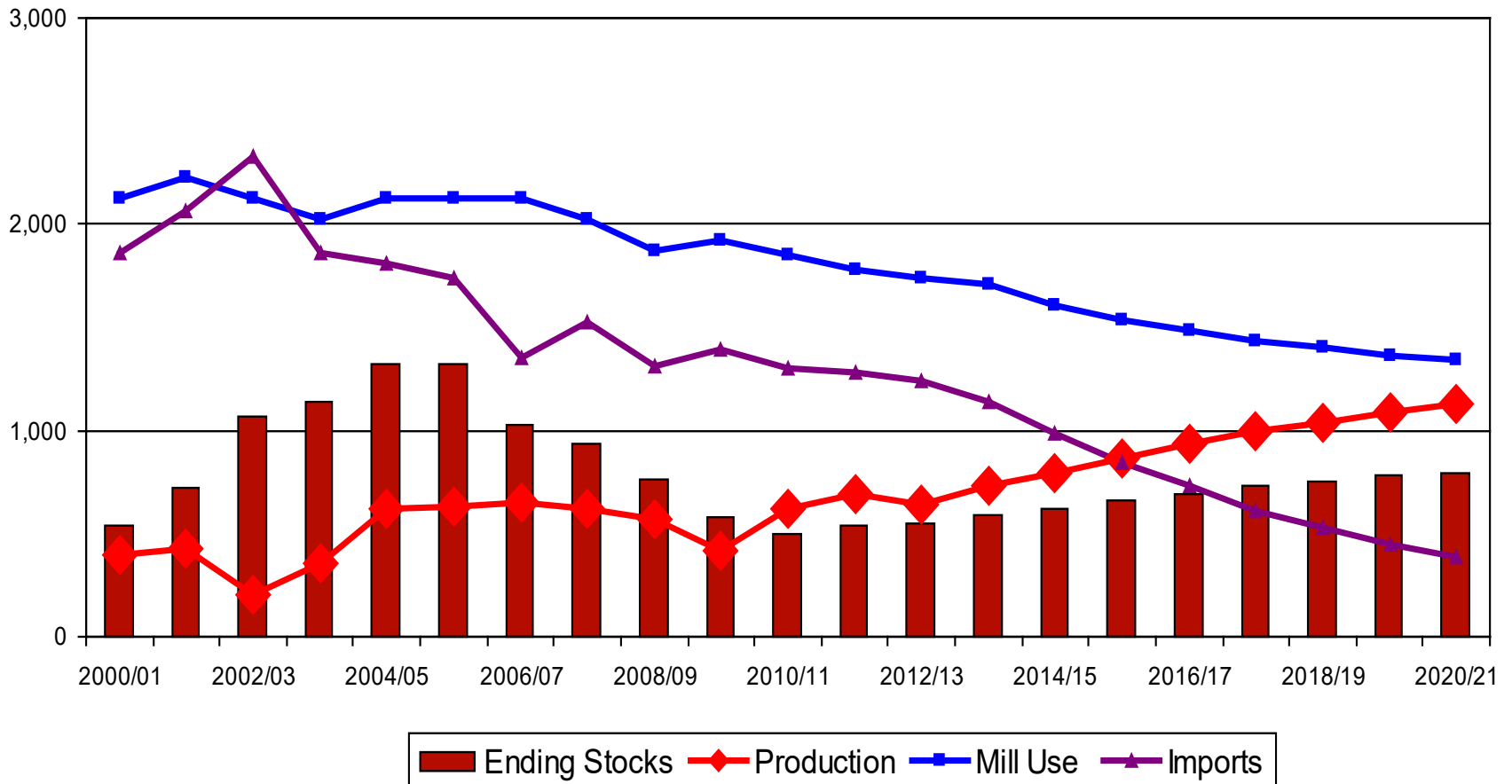


Source: CERI

Cotton Mexico



000 bales



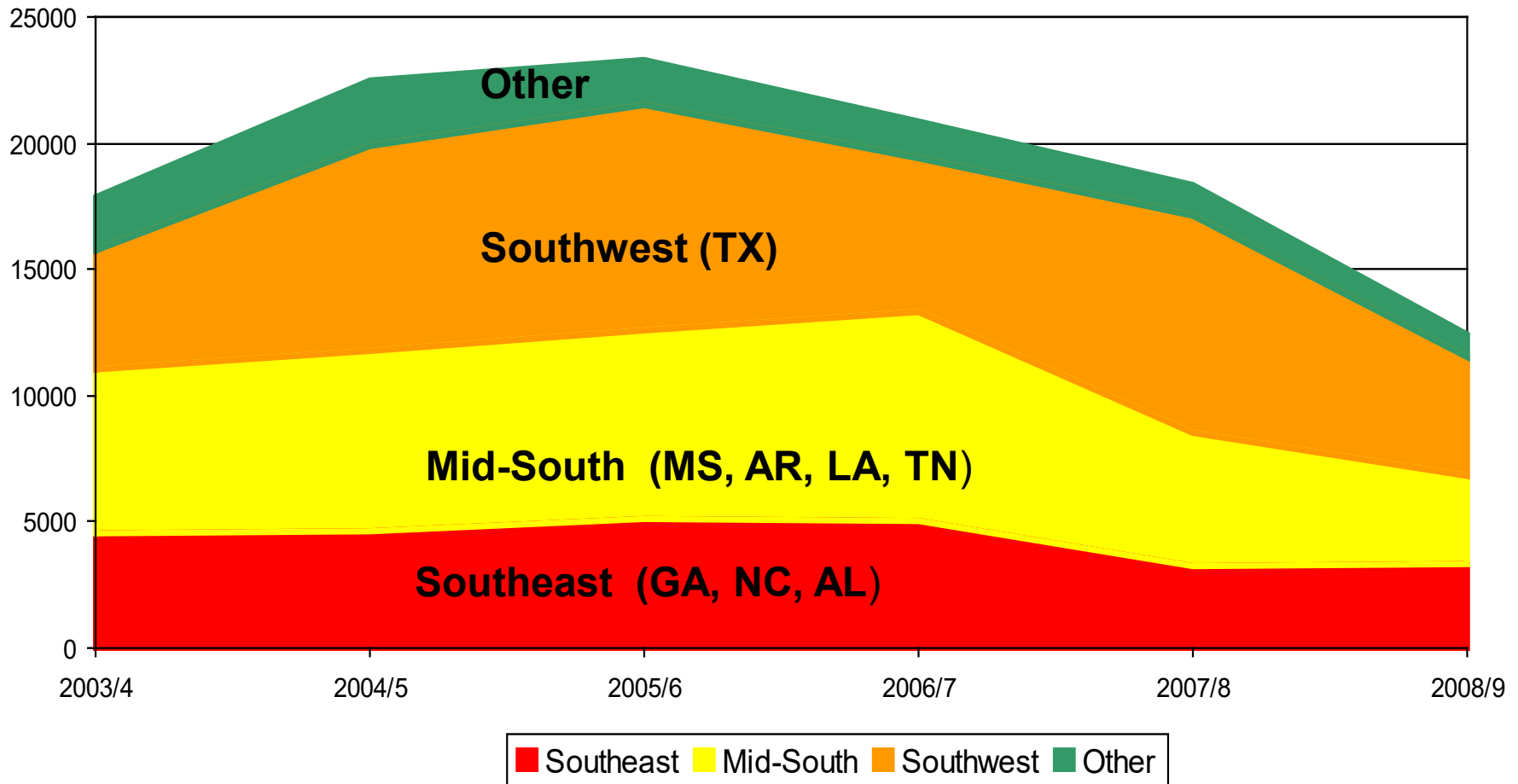
Source: CERI



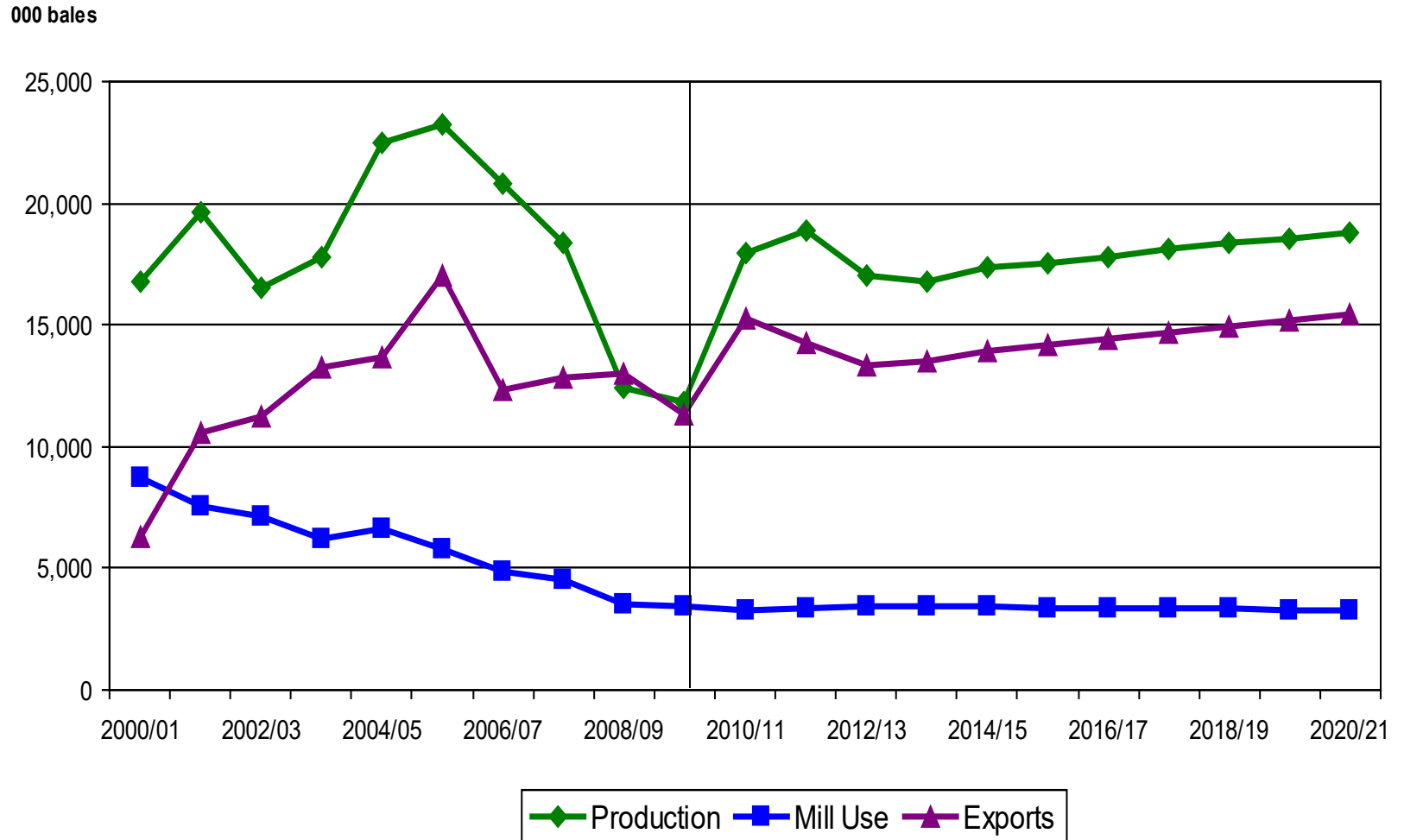
Factors Affecting Cotton Markets

- Changes in US cotton production
- India cotton export restrictions
- Pakistan flooding
- China Textile Industry Quick recovery
- Exchange rates
- Depletion of cotton stocks
- Inflation in China

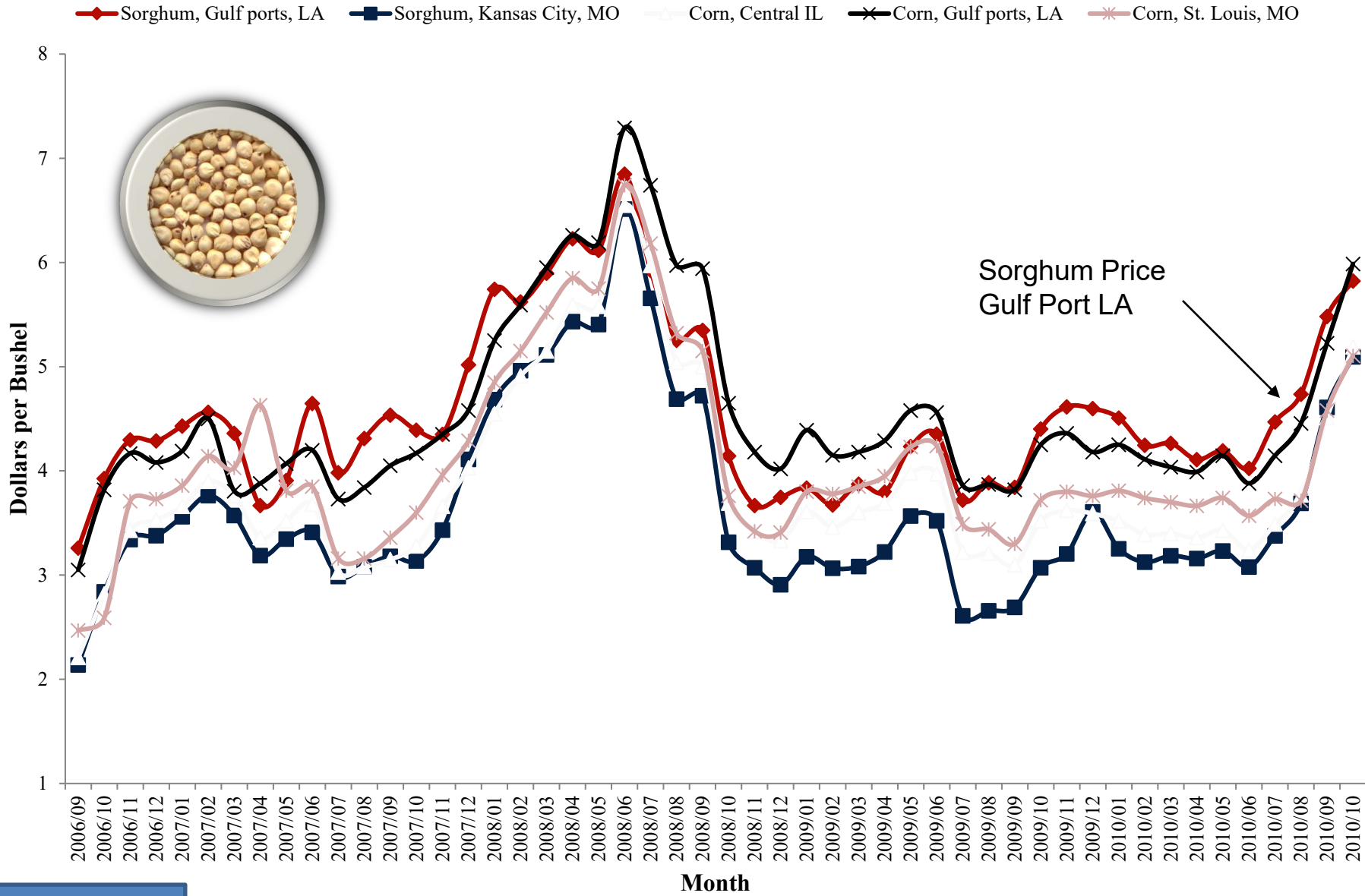
US Cotton Production by Region



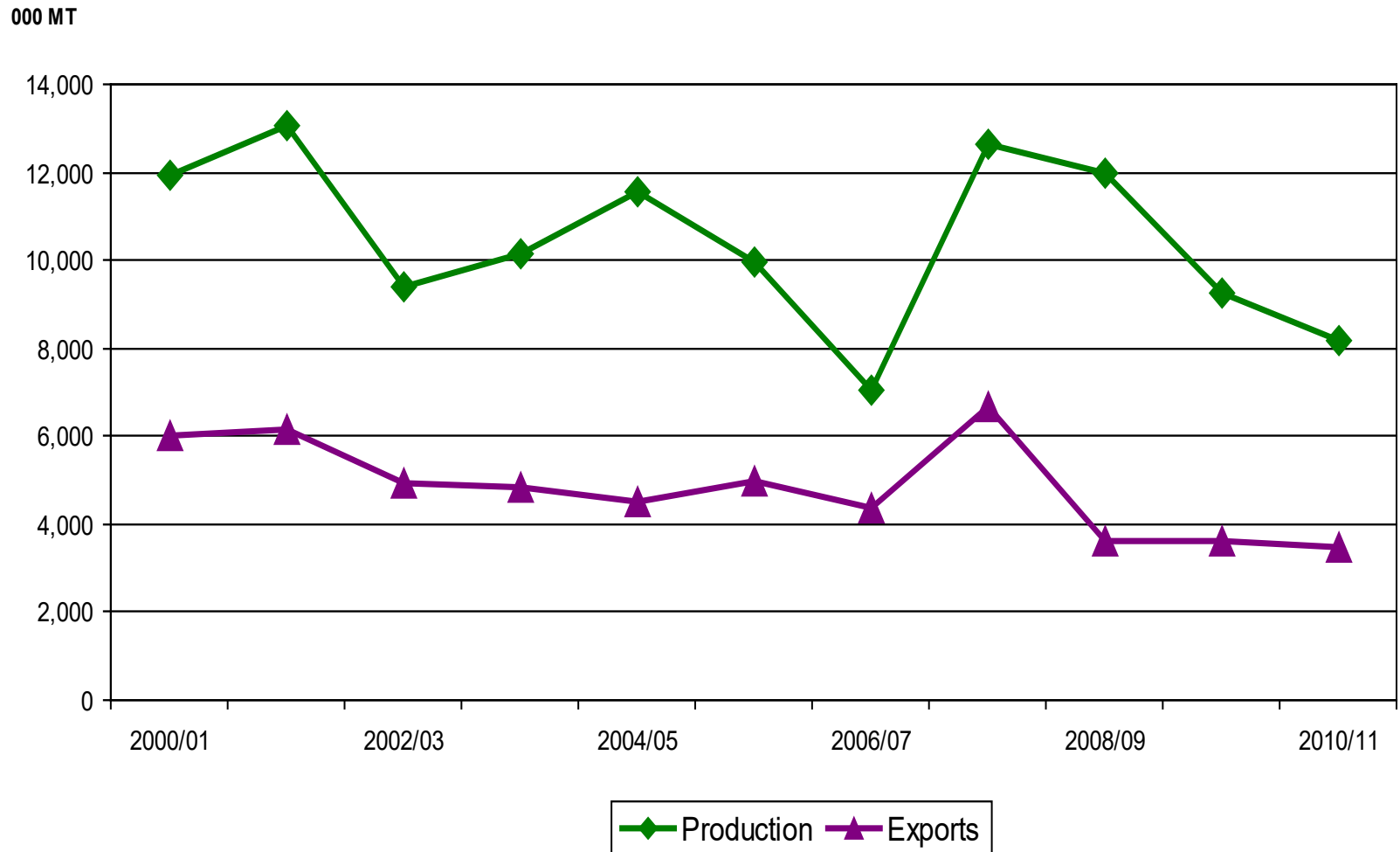
US Cotton Forecast?



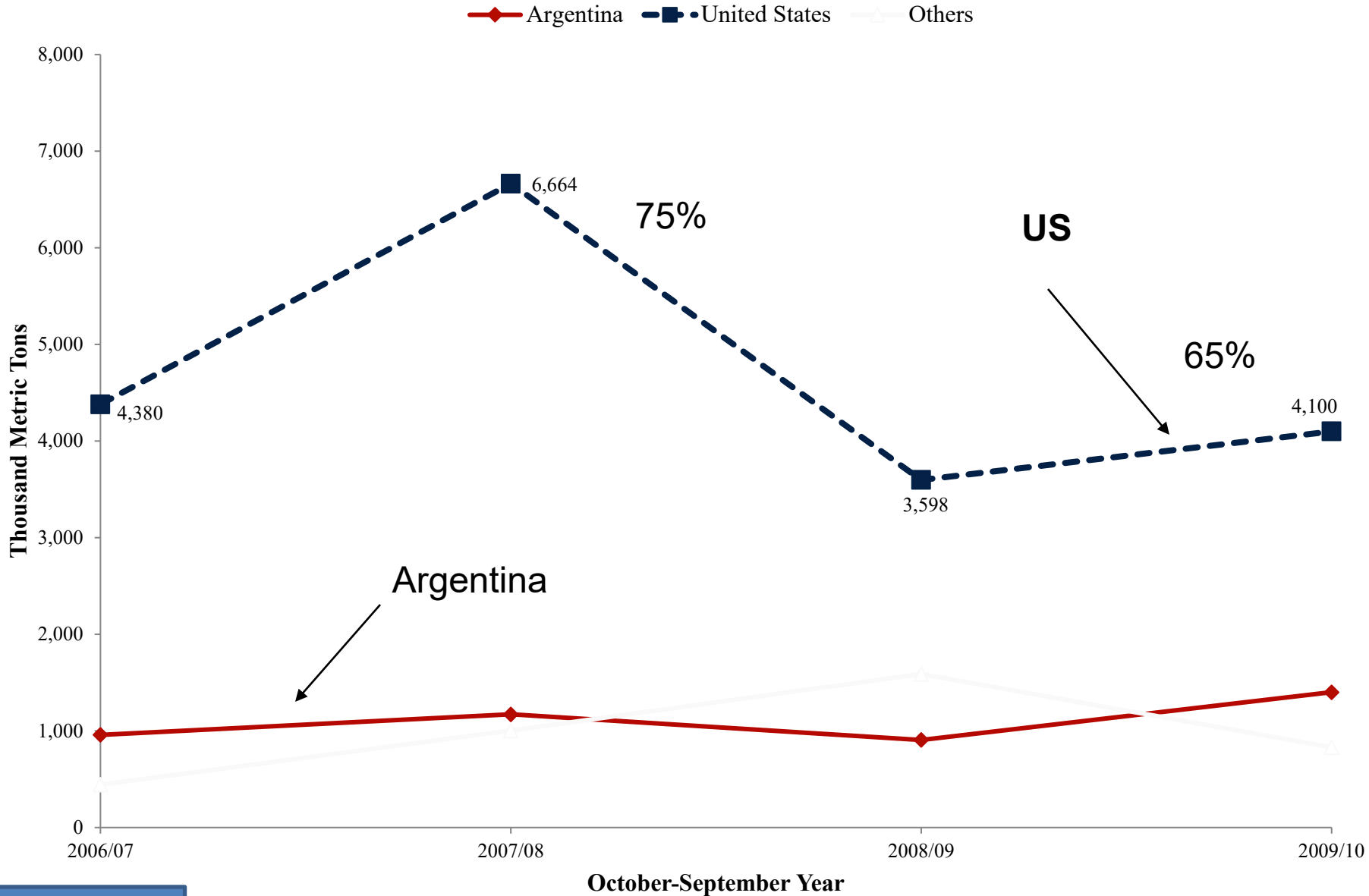
US Sorghum (Prices) 2006-2010



US Sorghum Production and Exports

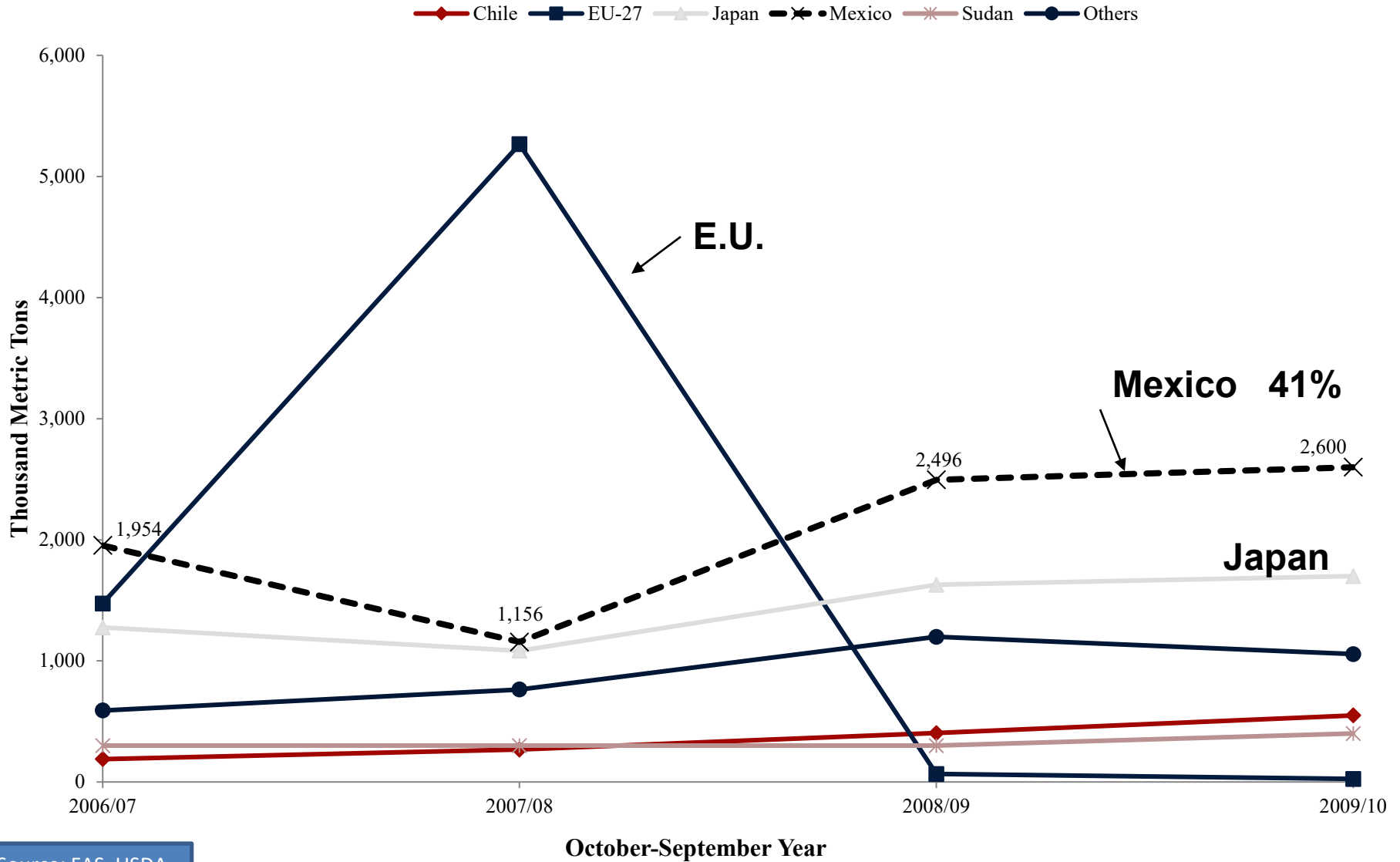


World Sorghum Exports 2006-2010

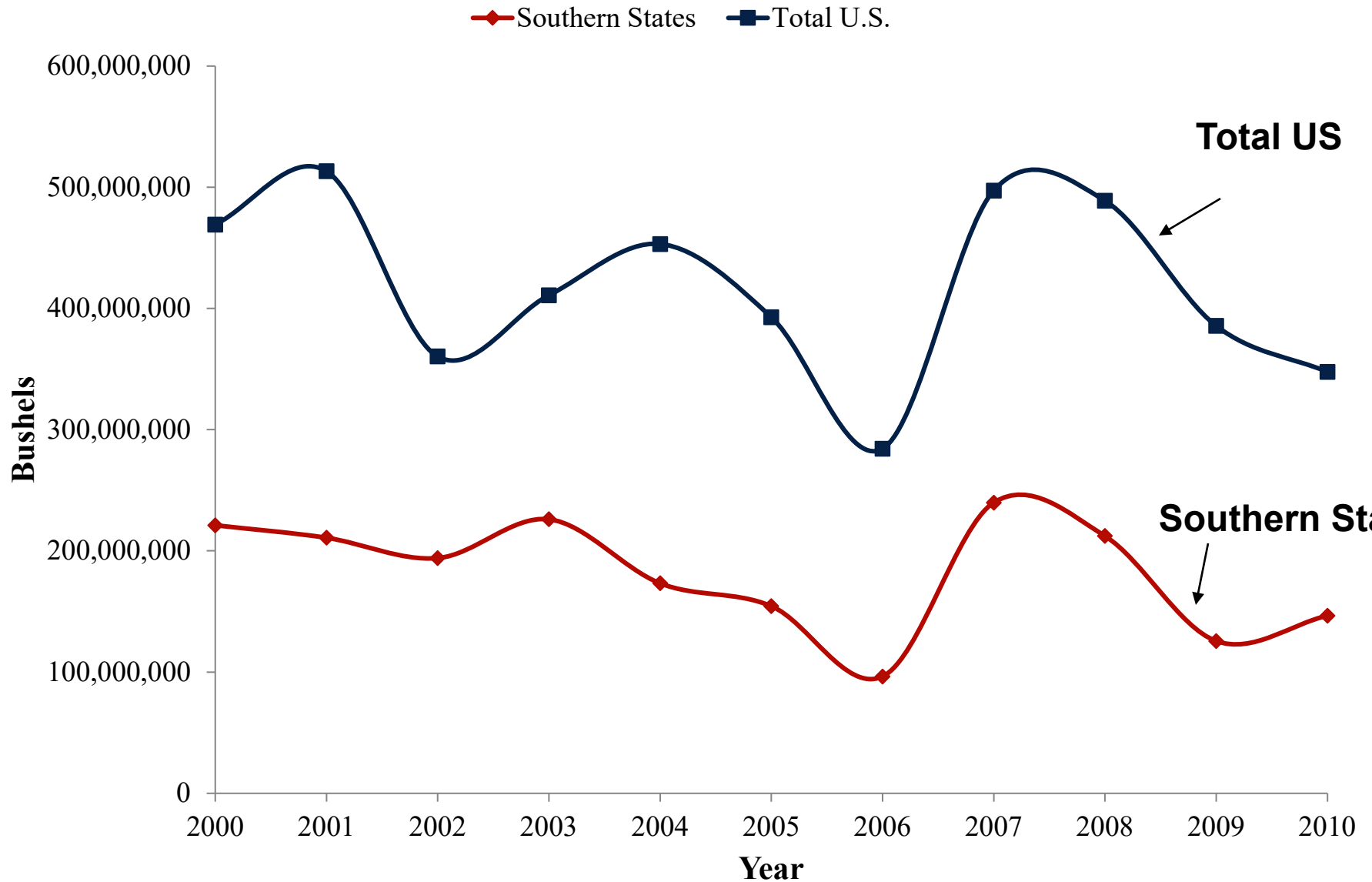




World Sorghum Imports 2006-2010



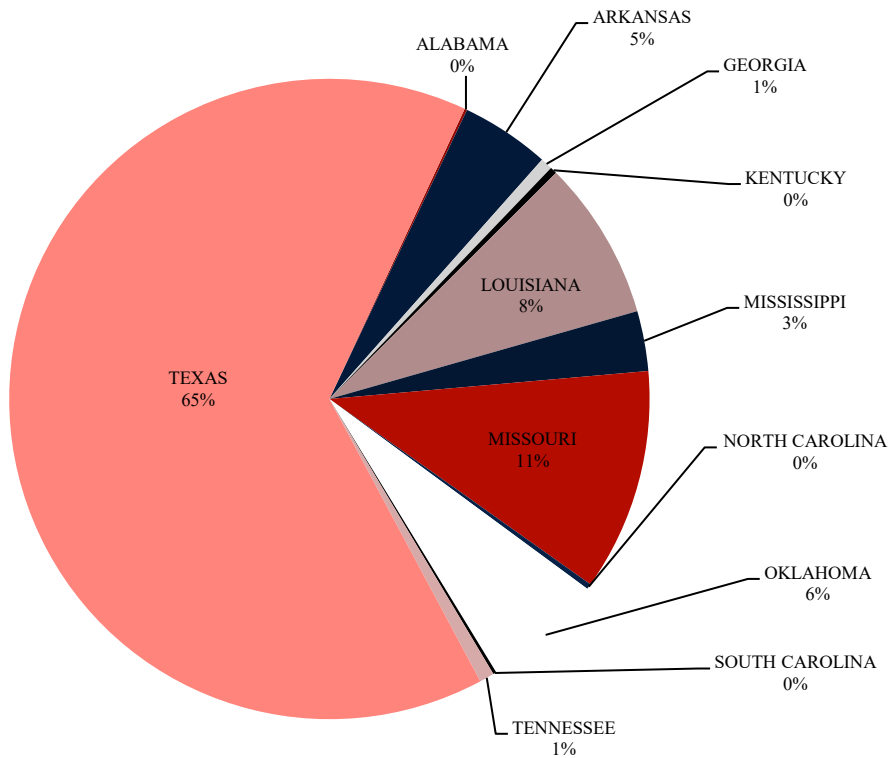
US Sorghum by Region



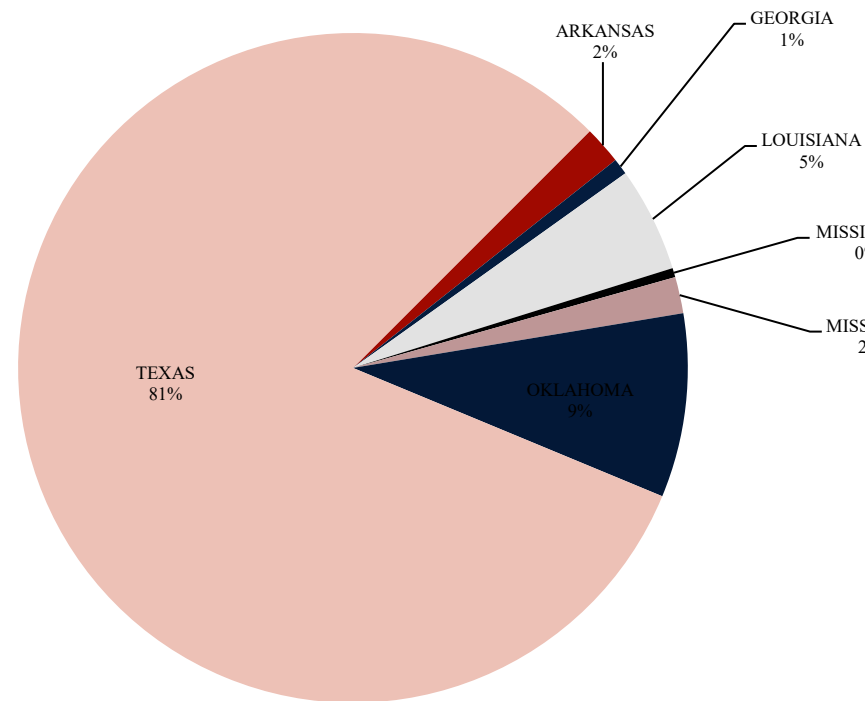
US Sorghum Production by State (South)



Grain Sorghum Production by Southern States, U.S. 2000.



Grain Sorghum Production by Southern States, U.S. 2010.



Factors Affecting Sorghum Export Markets



- US total production and exports declining (long term)
Ethanol use increasing
- Most of US exports going to Mexico (Chicken industry)
- Some unexpected demand (EU) may affect flows and prices
- Growing competition from Argentina and Australia
- Potential new markets in Sub Saharan Africa and LA (Colombia, Chile, Ecuador)

Final Remarks



- Cotton

- Record high prices will go down and stabilize next year
- US exports 75% of its cotton and exports will continue to grow
- Southern States account for 90% of US exports
- Relative prices of other commodities will be key variables.
- Factors to watch: China mill use, Exchange rates, Energy prices, Indian, Australian and Brazilian exports, WTO Doha round?

- Sorghum

- Erratic prices will tend to stabilize and decline
- US exports 40% of its sorghum but exports may decrease
- Southern States (mainly TX) account for 40-45% of US production
- Factors to watch: Mexican chicken industry, competition from Argentina and Australia, New emerging markets, ethanol industry demand.



THANK YOU

