

Cottonseed report

By Daniel Martens, Teague Australia Pty Ltd

Cottonseed prices firmed basis delivered Brisbane in early June on the back of lack of sellers and continuing firming up-country markets with the ongoing dry weather ensuring good demand for cottonseed as a drought supplement feed. Moree, Goondiwindi and Narrabri gin sites have traded recently between \$205–210 for prompt delivery and \$215 for deferred deliveries.

Export business basis DCT continues to remain difficult with Japanese and Korean markets having unreal buying expectations versus what is being paid locally for cottonseed.

California markets have seen firmer prices in the region of US\$170. The import program from Australia is running behind schedule due to ongoing tests being conducted for Fusarium wilt.

The US has traditionally been the biggest importer of Australian cottonseed. This decrease is evident in the latest Australian Bureau of Statistics export statistics as at May 1, 2002, Australia has exported a total of 177,279 metric tonnes in this financial year to the US, compared to 386,577 metric tonnes last financial year.

In other news, ABARE came out with a crop report recently for this current crop estimating cottonseed production at 968,000 metric tonnes which is at the high end of the trade's expectations with new crop (2003) estimated to produce around 789,000 metric tonnes.

Meanwhile new crop prices are bid basis Brisbane at \$228 against no offers and this is not surprising given that gins would be reluctant to commit new crop when water is tight and lint prices remain depressed internationally.

