Cotton seed report

By Daniel Martens, Teague Australia Pty Ltd

Despite ginning pressure being experienced at most sites across the Gwydir, Macquarie and Namoi valleys, solid demand for cottonseed due to ongoing drought conditions in these regions has ensured that prices remained steady to sideways with prices reportedly paid at $210–215 ex-gin, similar to June 2002 levels.

The Californian feed market was last quoted FOB Stockton July–September 2002 US$168–170 per metric tonne. The new Californian cotton crop is reported to be slightly down on last season's production.

Otherwise the container markets to Korea continue to remain difficult for the calendar year to date, with problems of foot and mouth and BSE plagueing what is already a diminishing market (see Table 1).

New crop offers have continued to remain thin in volume due to ongoing concerns regarding catchment levels in major dams feeding the Gwydir and MacIntyre Rivers, but it would seem the market is well supported currently at the A $235–237 delivered levels on the buy side. The other possibility that could see higher production of cotton next year is increased plantings as a result of higher lint prices and good rains between now and October.

TABLE 1: Cottonseed exports (financial year) by country of destination (mt)

Country	2000–01	2001–02 (to May 02)
Japan	151,692	150,699
Korea	63,840	84,926
US	386,537	253,029
Saudi Arabia	17,000	8500
Taiwan	2446	1412

FIGURE 1: Aussie cotton seed delivered (Brisbane) prices