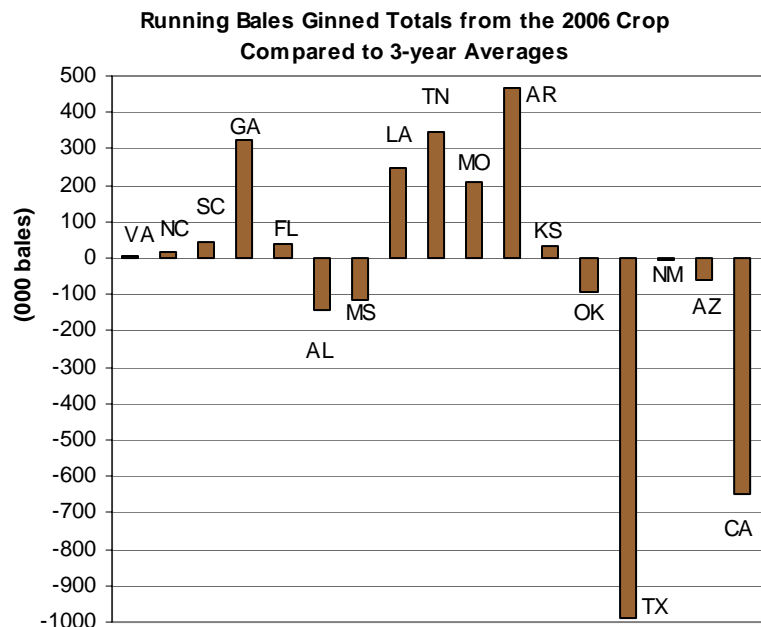


GINNING REPORT: The latest ginning report released yesterday, shows a running bales ginned total of 20.996 million bales. This is up 407,200 bales from last month's report, but lags the year ago by 2.25 million bales. Since the last report, the largest contributor was Texas up nearly 250,000 bales. The report included 68,132 bales, which gins estimate will be ginned after the report. The next ginning report is the Annual Summary, released in May.

2007 PROSPECTIVE PLANTINGS: Informa Economics' March Prospective Plantings report was released with total cotton plantings pegged at 12.86 million acres. Strong grain prices are seen as the main reason growers are shifting to other crops that pencil them in larger profits than cotton. If realized, this would be the lowest quantity of land planted to cotton since 1990 when cotton acreage totaled 12.35 million acres. Upland acreage is estimated at 12.5 million acres, down 2.45 thousand from last year and 910 thousand lower than Informa's January projection. Cotton acreage is expected lower in all states.

The region with the largest reduction was the Southwest, as Texas alone is expected to plant a million less acres of cotton. Recent rains there have traders anticipating a better start for the crop and higher yields than a year ago. With 730,000 fewer cotton acres, the Mid-South has the next largest reduction. The Southeast has the largest reduction on a percentage basis, and nearly 600,000 fewer acres. Far West Upland is 65,000-acres lower, as Pima acres are up by 34,000. USDA's Prospective Plantings Report will be released March 30th.

COTTONSEED MARKET: Compared to the previous report prices continue to climb. As of Mid-March, upward price momentum stalled out as grain prices pulled back. It appeared as if sellers had more ownership for the month than there was demand to clear supplies from the market. Resellers are the most active as gins are not participating in a meaningful way. Gins are believed to have



Every effort has been made to assure the accuracy of the information and market data which is provided in this publication as a compilation for the use of its readers. Information has been obtained by Informa Economics, Inc. from sources believed to be reliable. However, because of the possibility of human or mechanical error, Informa does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Published by Informa Economics, Inc., 2633 Innsbruck Drive, Suite D, New Brighton, MN 55112.

For weekly cottonseed pricing and commentary contact:
James Bueltel - Phone 651-635-9157, Fax 651-635-0857 e-mail: james.bueltel@informaecon.com

a large share of their remaining stocks already sold. Expectations of a reduction to cotton acreage is going to support price levels near-term and during the summer months. Helping this process are tight-fisted seed holders which will cause supply pipelines to edge lower, and result in higher prices.

Southeast markets have not moved up as quickly as the Mid-South, but demand from export markets are expected to continue supporting price levels in the region. Most of the buying interest in the Southeast is focused on procuring new crop supplies, at above historical price levels. But, due to the lack of selling interest on the part of gins, not much has traded.

In the Southwest and Far West, prices have moved higher as ginning wound down in West Texas. The California market has seen more dairies come to market and start buying. Most of the end-user buying activity is only focused on the nearby, as they are cautious about buying at historically high prices, with dairy profitability squeezed. The lack of forward buying has some in the industry concerned that demand is more difficult to gauge and may result in even more price volatility later in the year.

COTTONSEED BALANCE SHEET: USDA's 2006/07 balance sheet has several changes to disappearance. The largest change was a 171,000-ton reduction made to the feed, seed and other category. The crush was lowered by 50,000 tons, as crushing has lagged behind the 5-year average by 9% for the past 3 months. Exports were adjusted 25,000 tons higher. The net effect of these changes was a 96,000-ton increase to ending stocks, which typically signals a bearish attitude to the market.

Informa's balance sheet had a 100,000-ton reduction to the crush. Sub-par crushing activity and lackluster oil demand over the past few months suggest crushing will be more than 100,000 tons below the 5-year average. Exports were raised 25,000 tons as shipments to Asia and Mexico continue to exceed expectations. The feed, seed and other category was raised 50,000 tons. Milk prices have moved higher and appear to have more upside potential, which should improve the profitability of dairies making them more inclined to continue use and possibly even increase usage of cottonseed. Ending stocks were raised 25,000 tons, bringing the stocks-to-use ratio to 7.6%, which is nearly 1.5 points above the 5-year average. Prices are supported by strong corn values and anticipated acreage losses.

Cottonseed Supply/Demand Balance Sheet (000 tons)					
Yrs beg Aug 1	USDA	USDA	Mar. / USDA	Mar. / USDA	Mar. / Informa
	2003/04	2004/05	2005/06E	2006/07E	2006/07E
Beg. Stocks	347	421	592	602	602
Imports	2	1	0	0	
Production	6665	8242	8172	7632	7642
Total Supply	7013	8664	8764	8234	8244
Crush	2639	2923	3011	2750	2650
Exports	355	379	523	600	615
Feed, Seed, & "Other"	4598	4770	4629	4334	4400
Total Disappearance	6592	8072	8163	7684	7665
End Stocks	421	592	602	550	579

COTTONSEED					
PRICES 03-23-07		Bid	Offer	Trade	Yr Ago
SOUTHEAST		(\$/ton)			
No. Carolina	Spot	134b / 138o		92o	
	Ap-Ag	137b / 145o		96t	
(as-ginned)	OND	124b / 129o		90t	
	So. Carolina	Spot	135b / 139o		94o
Ap-Ag		139b / 145o		97o	
Georgia So.	Spot	130b / 135o / 135t		94t	
	Ap-Ag	132b / 145o / 145t		98-100o	
Alabama No.	Spot	145b / 150o		106t	
	Ap-Ag	149b / 155o		115o	
MID-SOUTH		(\$/ton)			
Memphis No.	Spot	148b / 152o / 150t		112-115t	
	Ap-Ag	150b / 158o / 154t		119o	
(as-ginned)	OND	131b / 135o		n/a	
	MO Bootheel	Spot	155o / 151t		115t
Ap-Ag		157o		n/a	
SOUTHWEST		(\$/ton)			
West Texas	Spot	170b / 175o / 172t		128t	
	Ap-Sp	180b / 185o		135o/t	
(as-ginned)	OND	155b / 160-170o / 158t		n/a	
FAR WEST		(\$/ton)			
Arizona	Spot	210b / 220o		175t	
	Ap-Sp	235o		n/a	
Cal Corc. N & Stockton	Spot	235b / 238-240o / 237t		190t	
	Ap-Sp	242b / 245o / 242t		195o	
	OND	240o / 240t		n/a	
SPECIALLY PROCESSED PRODUCTS (\$/TON)					
Easi Flo[™]	Centre, AL	Spot	183o	149o	
FuzZpellets[™]	Weldon, NC	Spot	182o	115o	
Cotton Flo[™]	Weldon, NC	Spot	182o	125o	
b = bid o = offer t = trade n/a = not available					

COTTONSEED dlvd. points					
<u>PRICES 03-23-07</u>		<u>Dump</u>	<u>Hopper</u>	<u>Live Floor</u>	<u>Rail</u>
NORTHEAST		(\$/ton)			
W. New York	Spot	190o			
	Ap-Ag	197o			
SE Pennsylvania	Spot	174o			
	Ap-Ag	180o			
NE Ohio	Spot	177o			
	Ap-Ag	183o			
MIDWEST		(\$/ton)			
MI (Grand Rpds.)	Spot	201o			
	Ap-Ag	208o			
MN (Rochester)	Spot			199-220o	
	Ap-Ag			206o	
WI (Madison)	Spot.			195-199o	
	Ap-Ag			199-202o	
SOUTHWEST		(\$/ton)			
Texas / Dublin- Stephenville	Spot		205o		
	Ap-Sp		210o		
RAIL - FOB TRACK POINTS		(\$/ton)			
Laredo TX (Mid-Bridge)	Spot				198b 190o
	AMJ				201o
Idaho (UP)	Spot				214t 217o
	Ap-Ag				223b 227o
	OND				207b 211o
WA/OR (BN)	Spot				232t
	Ap-Ag				236-238o
b = bid o = offer t = trade					

COTTONSEED DAIRY BUYER PROFILES

GROUP 1: Base demand group that will formulate cottonseed in at a 4-6 lb. inclusion rate regardless of price.

GROUP 2: Formulates at a 2-3 lb. inclusion rate regardless of price, and would like to feed at the 4-6 lb. level. However, the last 2-4 lb. is price sensitive.

GROUP 3: This is the major swing factor for cottonseed demand. They enter the market when the price is right or other factors prevail (i.e. short hay supplies), and will subsequently exit when other opportunities exist.

GROUP 4: This group does not have access to, or the ability to incorporate whole cottonseed into their rations. However over time, dairymen in this group will migrate up into Groups 1, 2 or 3.