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COTTONSEED MARKET: Lackluster end user buying continues to be the main feature of the market. The recent run up in corn and soybean complex futures has resulted in a few more inquiries. However, there hasn't been much more trading accomplished compared to the first half of April. Most of the buyers remain focused on covering nearby needs. Dairy buying interest remains limited due to narrow profit margins. This poor economic situation is expected to linger for the next few months which should keep dairy demand light. Meanwhile, gins with unsold supply are reluctant to sell at current prices and are holding out for higher prices later in the season which is the historical norm. This year however, prices look to remain range bound with limited upside potential because there are ample supplies of other feed ingredients which are competitively priced.

The net value of cottonseed for crushers in the Mid-South continues to erode as does the pricing for cottonseed meal and hulls. With a net product value roughly \$30/ton below cottonseed's open offer, there isn't an economic incentive for oil mills to come to market and increase their cottonseed holdings. This suggests that if cottonseed sellers want to attract more demand and keep inventories moving, prices will need to be lowered.

Southeast markets remain quiet as end user demand remains soft. Dairy interest in Florida has been more consistent than out of the Northeast. The dairies in the Northeast have more on-farm grown feed ingredients which are more economical than paying the going price for cottonseed. The narrow price spread between spot and new crop prices has kept gins on the sidelines as they anticipate there will be more upside potential for prices later in the summer. Given the lack of demand for cottonseed, any upside price potential appears it will be limited for the next few months.

The Mid-South market remains slow. This is likely the region with the tightest supplies and is reason for prices being stronger than Texas. In most years the Mid-South price is a discount to Texas due to the freight disadvantage going to Western rail markets. West Texas markets reported a modest increase in inquiries following the strength in grain futures. For the time being, the inquiries haven't resulted in an increase in volumes trading.

Far Western markets are holding steady to slightly firmer. The availability of supply has varied this week causing some offers to nudge higher as inventories have edged lower. Price spreads to California from other markets are narrower than normal and suggest less material will ship west during coming months.

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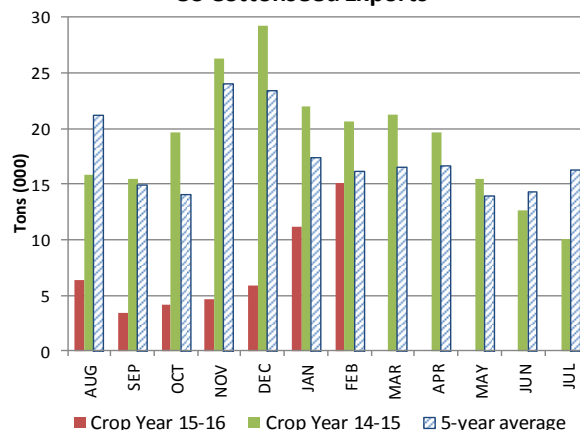
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COTTONSEED BALANCE SHEET: The USDA balance sheet was unchanged from last month. The Cottonseed Digest balance sheet has only a small change with the crush being lowered 5,000 tons while exports were raised 5,000 tons. The Feed, Seed and Other category was unchanged and represents a total that is 55% of the total supply of cottonseed. This is up a percentage point compared to last year. The demand from the feed sector remains lackluster but there continues to be modest near-by buying. This suggests more softening of prices is needed for prices will get to a level low enough to attract additional demand. Ending stocks are unchanged and hovering around 400,000 tons. This is below the 5-year average of 480,000 tons.

Cottonseed exports were raised 5,000 tons this month as February's exports mark a high for the crop year. Shipments were stronger than expected to Mexico and Saudi Arabia. Exports early in the season were suppressed due to the strong dollar, late planting and slow crop development, rain/storm harvest delays and related quality issues. Unless cottonseed prices continue to soften, exports are expected to remain below year ago and 5-year average levels.

US Cottonseed Exports



Cottonseed Supply/Demand Balance Sheet (000 tons)					
Year begins Aug 1	USDA	USDA	April / USDA	April / USDA	April / CSD
	2012/13	2013/14	2014/15E	2015/16F	2015/16F
Beg. Stocks	430	492	425	437	437
Imports	182	198	59	0	30
Production	5666	4203	5125	4153	4145
Total Supply	6278	4893	5609	4590	4612
Crush	2500	2000	1900	1500	1570
Exports	191	219	228	60	75
Feed, Seed, & "Other"	3094	2250	3044	2638	2555
Total Disappearance	5786	4468	5172	4198	4200
End Stocks	492	425	437	392	412

COTTONSEED fob points				
<u>PRICES 04-15-16</u>		<u>Trade</u>		<u>Yr Ago</u>
Southeast		(\$/ton)		
North Carolina	Spot	220o / 215t		240t
	May	216t		n/a
	My-Ag	215b		247o
	OND	190b / 196-200o		220o
South Carolina	OND	190b / 200o		n/a
Georgia So.	Spot	215o / 210t		240o
	OND	190b / 200o		n/a
Mid-South		(\$/ton)		
Memphis No.	Spot	245b / 250-251o		265t
	OND	215b / 220o		n/a
MO Bootheel	Spot	252o		271o
	OND	215b / 220o		n/a
NE Arkansas	Spot	251o		n/a
	OND	215b / 220o		n/a
Southwest		(\$/ton)		
West Texas: LN	Spot	225b / 230o / 225-226t		291t
	My-Sp	230o		295o
	OND	210b / 220o / 215t		275o
West Texas: PN	Spot	225b / 230o		n/a
West Texas: SN	Spot	225b / 230o		290o
Oklahoma	Spot	245t		n/a
Far West		(\$/ton)		
Arizona	Spot	280o / 280t		360o
Cal. Corc. No.	Spot	305o		393t
	OND	305o		n/a
	Clock	315o		380o
Pima California	Spot	280o		345t
	My-Sp	285o		n/a
Specially Processed Products (\$/ton)				
<i>Easi Flo</i> tm	Courtland, AL	Spot	290o	310o
		OND	245o	n/a
b = bid o = offer t = trade n/a = not available West Texas: LN=Lubbock North, PN= Plainview North, SN= Seminole North				

COTTONSEED dlvd. points				
<i>PRICES 04-15-16</i>		<i>Truck</i>	<i>Rail</i>	<i>Yr Ago</i>
Northeast		(\$/ton)		
W. New York	Spot	280-283o		306o
	My-Ag	285-288o		313o
	OND	260-263o		283o
SE Pennsylvania	Spot	260-265o		289o
	My-Ag	267-270o		296o
	OND	240-245o		273o
NE Ohio	Spot	280-283o		307o
	My-Ag	285-288o		315o
	OND	263o		288o
Midwest		(\$/ton)		
MI (Grand Rps.)	Spot	293-300o		317o
	My-Ag	298-305o		325o
MN (Rochester)	Spot	295-300o		340o
	OND	275-280o		327o
WI (Madison)	Spot	295o		330o
	OND	275o		320o
Southwest		(\$/ton)		
Texas / Dublin- Stephenville	Spot	265o		295o
Rail - fob track points		(\$/ton)		
California	Spot		300o	n/a
	OND		300o	n/a
Idaho (UP)	Spot		305o	347o
	My-Sp		305o	n/a
WA/OR (BN)	OND		305o	n/a
	Spot		310t	375o
b = bid o = offer t = trade n/a = not available				

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.

Cottonseed Intelligence Monthly is published monthly Phone: **651-925-1052/Fax 651-925-1061** e-mail: james.bueltel@informaecon.com. 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.

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