

COTTONSEED MARKET: The graph below shows that running bales ginned as of November first were ahead of the average in the Southeast and Texas, while the Mid-South and Far West are behind the average. The reason that Mid-South and Far West appearing to be so much further behind their respective average is that cotton plantings were below average levels and there was less cotton to be ginned. Therefore, their ginning season is not running as far behind as the graph would suggest if the total projected cotton production would be close to its average. Cotton acreage and production for the Southeast and West Texas were above the 3-year average and reason for larger than average results.

Wet fields and snowy conditions at the middle of November in West Texas slowed harvest and ginning progress. This resulted in fewer than expected gins running and tight nearby supply. Spot prices shot higher, and forward offers were elevated as well, but there has been less trading on forward offers. Once gins get back up and running supply pipelines should rebound and cause prices to drift lower by December.

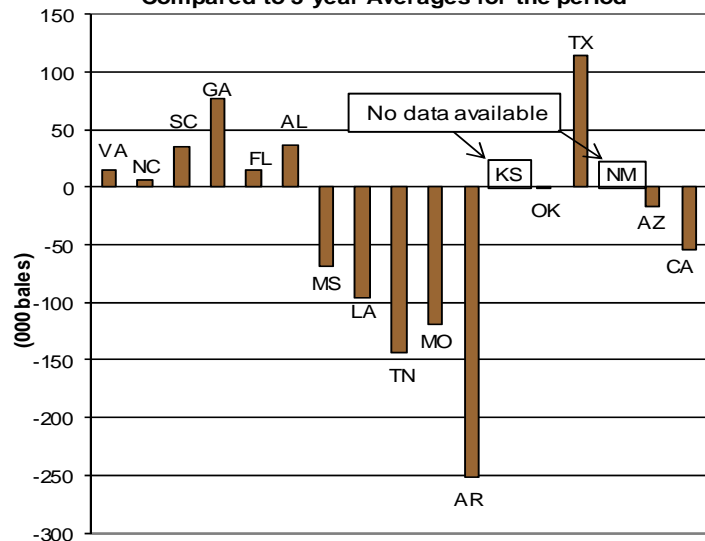
Southeast nearby markets have been quiet and ginning continues at strong rates. Given abundant supply, there are mounting concerns about moving supplies. The limited availability of trucks in the region is reason for some merchants falling behind on moving supplies. Ginning is expected to continue into December while some points in Georgia will likely be running into January. Heavy supply and the lack of equipment to move the product suggests that prices may need to drift lower to attract more demand.

Mid-South gins are expected to complete ginning by Thanksgiving. At the end of ginning season choppy prices can be expected based on local supply. Prices are apt

to begin edging higher, once the nearby pressure is gone. Dairies have shown more interest in booking forward supplies since soybean meal prices have firmed.

California prices have drifted lower as rail supply pipelines have been replenished this month. End users are still willing to wait on buying. Forward truck offers have moved lower as well. Rail offers are limited due to tight rail equipment. Prices will be higher if rail service is slower than normal.

Running Bales Ginned Totals as of 11/01/14
Compared to 3-year Averages for the period



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., 3464 Washington Drive, Suite 120, Eagan, MN 55122-1438.

For weekly cottonseed pricing and commentary contact:

James Bueltel - Phone 651-925-1052, Fax 651-925-1061 e-mail: james.bueltel@informaecon.com

COTTONSEED BALANCE SHEET: The USDA's 2013/14 balance sheet was unchanged from last month. Cottonseed total supply for 2014/15 was raised 94,000 tons based on a production increase of 44,000 tons and imports were up 50,000 tons. On the demand side of the balance sheet, the Feed, Seed and Other category was raised 50,000 tons while the crush was raised 25,000 tons. The net result of these changes was a 19,000-ton increase to ending stocks that brought up the stocks to use ratio to 8.6%, which is still two tenths less than the 5-year average, but nearly a percentage point below last year's result.

The Cottonseed Digest's old crop balance sheet was unchanged. 2014/15 production was raised 103,000 tons, on increased yield projections primarily coming from Texas, Georgia and Missouri. The crush was raised 43,000 tons as runtimes are apt to improve given the price of cottonseed oil has modestly improved and there has been a flurry of cottonseed oil buying accomplished. Exports are unchanged, but results for the first two months of the season lag behind average results due to the slow start to ginning. The Feed, Seed and Other category was increased 50,000 tons. Demand from the feed sector should remain robust as the outlook for dairy producer margins remains positive absent grain prices rallying further and/or milk price falling below \$16/cwt. Ending stocks were raised 10,000 tons which brings up the stocks to use ratio to 7.8% which is a tenth of a percent higher than last month's ratio.

Cottonseed Supply/Demand Balance Sheet (000 tons)						
Year begins Aug 1	USDA	USDA	November / USDA	November / CSD	November / USDA	November / CSD
	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14E</u>	<u>2013/14E</u>	<u>2014/15F</u>	<u>2014/15F</u>
Beg. Stocks	618	430	492	507	425	289
Imports	72	182	198	200	100	33
Production	5370	5666	4203	4203	5413	5427
Total Supply	6059	6278	4893	4910	5938	5749
Crush	2400	2500	2000	2052	2425	2343
Exports	133	191	219	219	290	300
Feed, Seed, & "Other"	3096	3094	2250	2350	2755	2690
Total Disappearance	5629	5786	4468	4621	5470	5333
End Stocks	430	492	425	289	468	416

COTTONSEED fob points				
<u>PRICES 11-21-14</u>		<u>Trade</u>		<u>Yr Ago</u>
<i>Southeast</i>		(\$/ton)		
North Carolina	Spot	190b / 195-200o / 193-196t		254o
	Ja-Ag	221b		270t
Georgia So.	Spot	190b / 195o / 192t		245o
<i>Mid-South</i>		(\$/ton)		
Memphis No.	Spot	220t		270t
	JFM	240t		n/a
MO Bootheel	Spot	220o		n/a
NE Arkansas	Spot	220o		271t
	JFM	245t		n/a
	Ja-Ag	250o		292t
<i>Southwest</i>		(\$/ton)		
West Texas: LN	Spot	240b / 245-250o		301t
<i>Far West</i>		(\$/ton)		
Arizona	Spot	355t		340o
	Nv-Dc	340b / 355o / 345t		n/a
Cal. Corc. No.	Spot	365-370o / 365-370t		402o
Pima California	Spot	330-335o / 325t		365o
<i>Specially Processed Products (\$/ton)</i>				
<i>Easi Flotm</i>	Courtland, AL	Spot	265o	315o
		Ja-Ag	295o	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				
<u>PRICES 11-21-14</u>		<u>Truck</u>	<u>Rail</u>	<u>Yr Ago</u>
Northeast		(\$/ton)		
W. New York	Spot	2650		3140
	Ja-Ag	2950		n/a
SE Pennsylvania	Spot	247-2480		2970
	Ja-Ag	2780		n/a
NE Ohio	Spot	2650		3140
	Ja-Ag	2950		n/a
Midwest		(\$/ton)		
MI (Grand Rpds.)	Spot	278-2850		3240
	Ja-Ag	3150		n/a
MN (Rochester)	Spot	305-3150		3490
	Ja-Ag	325-3350		n/a
WI (Madison)	Spot	295-3100		3350
	Ja-Ag	320-3250		n/a
Southwest		(\$/ton)		
Texas / Dublin- Stephenville	Spot	2500		3050
	Dec	2500		n/a
Rail - fob track points		(\$/ton)		
California	Spot		3630	3930
	Ja-Ag		3630	n/a
Idaho (UP)	Spot		340t	3800
	Dc-Ja		3450	n/a
WA/OR (BN)	Spot		3650	3850
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.

Cottonseed Intelligence Monthly@2014 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. 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, 3464 Washington Drive, Suite 120, Eagan, MN 55122.