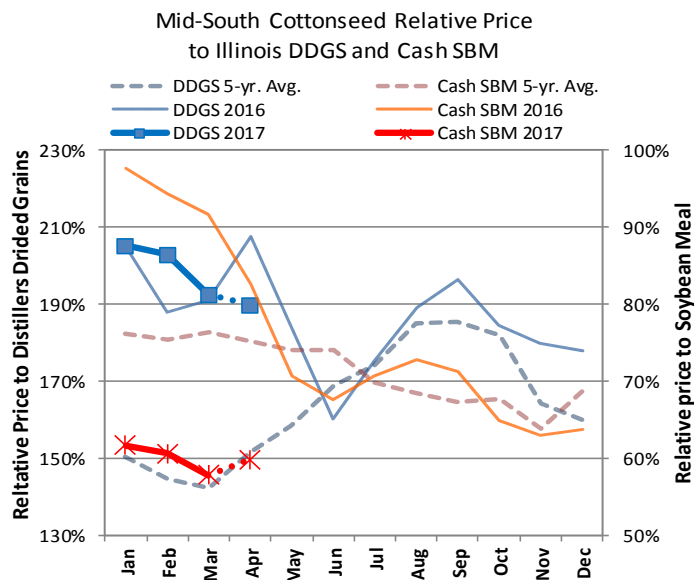


COTTONSEED MARKET: Trading activity slowed leading up to and following the Easter holiday break. Corn and soybean meal futures have nudged lower in recent trading sessions keeping a bearish tone in the market. There has been an increase in selling interest in the market while end users are only covering nearby needs. Whole cottonseed and other competing feed ingredient supplies remain ample keeping it a buyers' market. The graph shows that cottonseed's relative price to distillers dried grains has softened during April and is below year ago levels, yet remains 40 percentage points above the April 5-year average. The relative price to soybean meal has kept within a couple-percentage-point range this year and continues to hold roughly 15 percentage points below its 5-year average. Dairy demand remains light for cottonseed since there are other abundant and competitively priced feed ingredients available to take up space in feed rations.



Price ranges shifted lower in West Texas on ample supply and limited buying interest. Currently local dairy buyers haven't shown much interest in taking on more ownership. It appears that end users are willing to hold off on making purchases until prices move lower. The concern is that poor dairy margins for the next couple months will limit cottonseed demand and apply additional downward price pressure as the crop's marketing year winds down with more than normal burdensome supplies being carried over into new crop.

The California truck market had lower prices on whole fuzzy seed, while Pima prices continue to hold firm. The price spread between fuzzy white seed and Pima is narrower than normal. Given limited Pima supply available prices are apt to remain firm. Fuzzy white seed supply hasn't been a concern with improved rail movement and there should be comfortable supply for the next several weeks. Forward offers are holding steady at prices close to the nearby.

The Mid-South and Southeast markets were not well tested at mid-April due to the lack of end user demand. Without this demand for the nearby or forward positions prices look to be pressured lower in com-

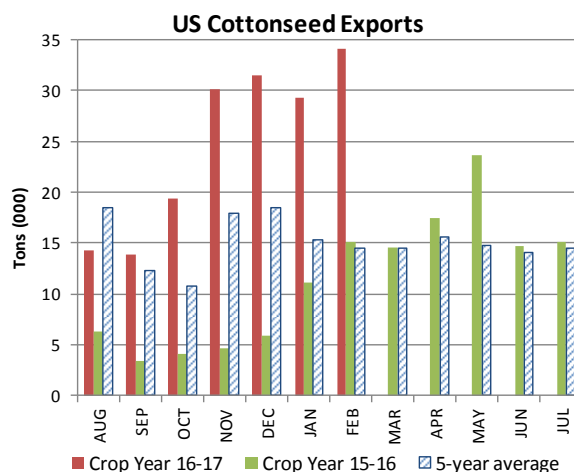
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ing weeks. There may not be as much supply as in West Texas, but supply fundamentals appear to be an overriding negative factor for prices.

COTTONSEED BALANCE SHEET: The USDA balance sheet was unchanged from last month. There haven't been radical changes to supply fundamentals. The main story for this crop year continues to be the large supply situation. Dairy ration inclusion rates are suspected of being lower than in past years which could inflate ending stocks. The Cottonseed Digest's balance sheet had exports raised 5,000 tons on larger than expected February exports.

US cottonseed exports for February were 34,036 tons. This is the largest result for the year thus far and the largest for February since 2008. The accumulative total reached 172,358 tons, which exceeds the 5-year average by over 64,000 tons. For exports to reach the projected 260,000-ton level, monthly exports should average 17,550 tons.



Cottonseed Supply/Demand Balance Sheet (000 tons)					
Year begins Aug 1	USDA	USDA	USDA	April / USDA	April / CSD
	2013/14	2014/15	2015/16	2016/17F	2016/17F
Beg. Stocks	492	425	437	391	391
Imports	198	59	16	50	50
Production	4203	5125	4043	5418	5450
Total Supply	4893	5609	4496	5859	5891
Crush	2000	1900	1500	1800	1700
Exports	219	228	136	250	260
Feed, Seed, & "Other"	2250	3044	2469	3325	3262
Total Disappearance	4468	5172	4105	5375	5217
End Stocks	425	437	391	484	669

COTTONSEED fob points				
<u>PRICES 04-21-17</u>		<u>Trade</u>		<u>Yr Ago</u>
Southeast		(\$/ton)		
North Carolina	Spot	180b / 185o		221o
	My-Ag	185-188o		218b
	OND	155b / 165o		200o
South Carolina	Spot	180b / 183o		n/a
Georgia So.	Spot	180b / 185-188o		220o
	My-Ag	190o		n/a
	OND	155b / 160o		200o
Mid-South		(\$/ton)		
Memphis No.	Spot	172b / 180o		253o
	My-Ag	180o		255o
	OND	168o		220o
MO Bootheel	Spot	180o		253o
	Ap-Jly	185o		n/a
	OND	168o		220o
NE Arkansas	Spot	180o		253o
	OND	161b / 165t		220o
Southwest		(\$/ton)		
West Texas: LN	Spot	189-190o / 185t		230t
	My-Sp	190-193o		245b
	OND	170b / 172-180o 172t		216t
Oklahoma	Spot	200t		250o
	My-Sp	210o		n/a
Far West		(\$/ton)		
Arizona	Spot	255b / 265o / 260t		280o
Cal. Corc. No.	Spot	280b / 285o		315o
	My-Sp	285o		315o
	OND	270b / 278o		n/a
Pima California	Spot	270t		285o
	OND	265o		n/a
Apr				
Easi Flotm	Courtland, AL	Spot	225	290o
		OND	215	245o
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 04-21-17</u>		<u>Truck</u>	<u>Rail</u>	<u>Yr Ago</u>
Northeast		(\$/ton)		
W. New York	Spot	251o		285o
	My-Ag	255o		290o
	OND	228o		262o
SE Pennsylvania	Spot	233o		267o
	My-Ag	237o		272o
	OND	210o		245o
NE Ohio	Spot	251o		288o
	My-Ag	255o		293o
	OND	228o		263o
Midwest		(\$/ton)		
MI (Grand Rpd.)	Spot	261o		300o
	My-Ag	265o		305o
	OND	238o		274o
MN (Rochester)	Spot	239o		300o
	My-Ag	239o		300o
	OND	223o		277o
WI (Madison)	Spot	234o		297o
	My-Ag	234o		297o
	OND	218o		275o
Southwest		(\$/ton)		
Texas / Dublin- Stephenville	Spot	230o		265o
Rail - job track points		(\$/ton)		
California	Spot		268o	305o
	My-Sp		270o	305o
	Clock		260o	315o
Idaho (UP)	My-Sp		268o	310o
	Clock		265o	315o
WA/OR (BN)	My-Sp		280-285o	n/a
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. Information has been obtained by Informa Economics 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, 3464 Washington Drive, Suite 120, Eagan, MN 55122.

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