

[Buying Leads](#)
[Selling Leads](#)
[News](#)
[Jobs](#)
[Trade Fairs](#)
[Select Country](#)
[Login](#) | [Register](#) | [My F2F](#) | [Advertise with us](#) | [Contact us](#)
[Search](#)
[Home](#) | [Browse by Industry](#) | [News](#) | [Market Watch](#) | [Articles](#) | [Machinery](#) | [Trade Fair](#) | [Jobs](#) | [Fashion Gear](#) | [Business Directory](#)
[Home](#) > [News](#)
[\[P\]](#) - [\[For Subscribers\]](#)

## Could cotton at \$1.5 / lb be a reality?

November 09, 2010 (USA)



New York Futures settled at \$1.462 a pound on Monday, November the 8th gaining 400 points since last trading. The New York ICE Futures for December shipment settled at \$1.42 at the close of business on last Friday, November 5th. There has been a 13% increase in the cotton futures' price since last Monday, November 1st.

Economic fundamentals such as supply short fall, weather related issues in the cotton growing regions of the world and serious buying in China are the reasons for the steady growth in cotton price. Most recently, the UK based CNN anchor Richard Quest in "Your Money" program hosted by Ali Velsi commented that the supply side economic fundamentals are the reasons for the soaring cotton prices.

According to the September 2010 estimate by Washington DC based International Cotton Advisory Council, the global beginning stocks for 2010 is estimated to be 9.4 million metric tons, the lowest since 2005. And more importantly, the United States of America, which is the world's leading exporter of cotton, had the lowest beginning stock this year since 2000.

According to the October estimates of the United States Department of Agriculture (USDA), the global cotton production in 2010 is projected to be 116.68 million bales (480 pounds each). The beginning stocks for 2010/11 have been slightly reduced to 46.69 million bales (480 pounds each) from its September estimate of 46.98 million bales (480 pounds each).

Since the time of the release of the October USDA report, there have been some concerns over the loss of the crop due to hailstorms in the cotton growing High Plains region of West Texas which is served by Lubbock, Texas based Plains Cotton Growers, Inc (PCG). PCG area which serves 41 counties has 3.7 million acres of cotton planted this year and the production from the PCG area amounts to 35% of the US Crop and about 4% of world's total production. The October storms during the harvest season brought rainfall between 2-5 inches and obviously created a panic in the cotton industry with regard to the region's production and quality.

A recent evaluation by Texas AgriLife Extension Service and PCG show that four counties in the cotton growing regions of High Plains i.e., Lubbock, Lynn, Terry and Yoakum were severely damaged by hailstorms during October 20-22nd. The production estimate prior to hailstorm damage from High Plains was 6.1 million bales of 480 pounds each.

Mr. Steve Verett, Executive Vice President of Plains Cotton Growers' Inc. (PCG) commented via e-mail that achieving 6.1 million bales is in doubt but the cotton production in the PCG area in 2010 is still expected to exceed the previous 2005 record crop of 5.6 million bales.

Mr. Roger Haldenby, Vice President of Operations of PCG opined that the total loss from the PCG growing area as a percentage of the area's record output for 2010 will not have as great an impact as many analysts seem to fear.

Mr. Haldenby in response to the impact of the October storm on cotton prices commented, "concerns of growers, buyers and speculators in the cotton commodity market are displaying themselves in the price of cotton. However, there are many other serious factors of supply and demand around the world that are impacting prices. This storm in PCG's area is just one of many global factors. With world demand for cotton fiber outstripping current world supply, prices have been rising".

The overall sentiments of these two cotton industry leaders were echoed by a spokesperson of the Plains Cotton Growers that the damages due to October storms are not at the level as feared. With the Cotlook A Index at \$1.61 on November 8th, it looks the fundamentals are taking the price of cotton over the roof.

### USEFUL LINKS

[Search News](#) | [View All News](#) | [Paid News](#) | [News by Country](#)  
[Submit Press Release](#) | [RSS Syndication](#) | [RSS Feeds](#)

### News Categories

[Textile](#) | [Apparel](#) | [Fashion](#) | [Technology](#) | [General](#) | [Corporate](#) | [Associations](#)
[Accessories](#) | [Association/Org](#) | [Carpet](#) | [Chemicals/Dyes](#) | [Clothing](#) | [Company](#) | [Fibre](#) | [Cotton](#) | [Embroidery](#) | [Fabrics](#) | [Home Furnishings](#) | [Handicraft](#) | [Import/Exports](#) | [Industrial](#) | [Jute](#) | [Nylon](#) | [Machinery/Equipment](#) | [Polyester](#) | [Policy](#) | [Raw Materials](#) | [Silk](#) | [Wool](#) | [Results/Reports](#) | [Yarn](#) | [Textile Fairs/Exhibition](#) | [Textile Market Trends](#) | [Technical Textile](#) | [Union Budget](#)


### FACE 2 FACE

**Mr Gautam C Jain**  
 Chairman, Stanza  
 Pokarna Group

### Asia's biggest fashion event



Excellent

## INVESTMENT

  
 Opportunity

[Know more](#)


### Yarn

#### Buying / Selling Offers

- » Linen Yarn
- » Cashmere Yarn
- » Grey Yarn

[More](#)

### Fibre

#### Buying / Selling Offers

- » Carbon Fibre
- » Fluoropolymer Fibre
- » Saran Fibre

[More](#)

### Fabric

#### Buying / Selling Offers

- » Blended Fabric
- » Velour Fabric
- » Chemical Fabric

[More](#)

CORPORATE CLIENTS



Seshadri Ramkumar, Texas Tech University

[More Texas Tech University News...](#)

[More Textiles News - USA](#)

[More Textiles Association Org News - USA](#)



[Email This Story](#) | [Letter To Editor](#) | [Sign Up for News Letter](#) | [Print Story](#)

Bookmark this news to your favorite bookmarking sites



## Headlines

- Expect precarious cotton stocks in Dec - Mr Nair, CITI
- PTEA pleads for duty free import of polyester yarn
- Benzene & nylon chips post gains **[P]**
- Govt forecasts decline in 2010 cotton output **[P]**
- Businesses require more knowledge of WTO rules **[P]**
- Higher global yarn and fabric production

## Related News

- China BlueChemical to start new methanol plant by year-end, November 9, 2010
- Japan Polypropylene to shut down two plants, November 9, 2010
- Benzene & nylon chips post gains **[P]**, November 9, 2010
- Release of Cyclone L 1000 Forcespinning System, November 9, 2010
- Grower response encourages Wool Partners Co-operative, November 9, 2010

[Disclaimer](#) | [About Us](#) | [Enquiry](#) | [Sitemap](#) | [Our Services](#) | [Feedback / Comments](#) | [Internet Rank](#)

Copyright © 2010.  
All rights reserved by  
Sanblue Enterprises Pvt. Ltd.  
For best view:  
Use Internet Explorer 5.0+,  
Screen resolution 1024 x 768

