



Your Cotton, Your Choice

The Turnrow Newsletter

*by Jeff Thompson,
Choice Cotton / AQCA Manager-
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I apologize for the absence of a Turn Row newsletter last week. I was helping my mother move from a house she has been living in since 1963. I'm sure many of you have shared in this unenviable task so it will come as no surprise how much stuff can be accumulated in 54 years. Though overwhelmed, I quickly became wrapped up in the nostalgia of it all. I soon realized how easy it is to misplace the times, places and relationships in our lives we once held close as we struggle to meet the demands of today. In turn, I found myself reflecting on all the events, places, and relationships I have encountered in my 41-year career in the cotton industry. I will forever treasure these memories, as most of you were a part of this, while looking forward to continuing and strengthening these relationships as we work together to advance cotton's role in the agriculture community.

Southeast Crop Condition

The cotton crop in this region of the country has greatly improved over the past couple of weeks. Oppressive temperatures and random rainfall was the perfect prescription enabling plant growth as soils became better suited and heat units began to accumulate. However, that's not to say some areas are still struggling. Case in point, the latest USDA crop conditions report shows Alabama with over half its cotton acreage rated fair to poor. This year's crop is a tough one to wrap your hands around. Cotton can be

found from pinhead square to that which is in mid-bloom. We've experienced more replanting this year than I can remember in a long time. Over 25,000 acres in northwest Alabama alone had to be replanted, some three times. Mid-June planted cotton in this area always finds itself at risk to an early frost. It will be a late maturing crop to say the least. Another uncertainty lies in the fact so many fields have low areas which due to standing water are well behind most of the field. Certain to drag down yields, the question becomes just how much. Finally, underdeveloped root systems will require continued frequent moisture throughout August and September to prevent excessive fruit shed. Always one to remain optimistic, we are fortunate to be where we are considering all the obstacles faced, but we still have a long way to go and little room for error. We must keep the faith and strive to do everything possible to enhance plant growth and protect fruit.

Southwest Crop Conditions

Much like Southeast, the crop in the Southwest has come a long way over the past two weeks. For the most part, questionable acres have either been failed or have grown out of whatever issues they were having. We have had scattered showers throughout July and temperatures have not been too extreme. The irrigated cotton looks great and the dryland needs a rain. Our attention now has shifted from getting this crop going, to serious weed control; luckily, we've seen great results with the new technologies.

West Texas & Southwest Oklahoma will continue to be a mixed bag of conditions and plant sizes, however, most of it's growing and looking better every day. With another good rain or two, many will be looking at as good of a crop as last year.

Cotton Insect Control

Tarnished plant bugs (TBP) should be our focus for the next several weeks. This insect, though a perennial pest, does not always reach economic threshold levels. Therefore, careful monitoring is necessary to accurately determine their presence and level of damage. This year such a task becomes even more important since abundant rainfall and cool early season temperatures altered their migration into cotton from wild host plants. Though all fields should be monitored, April planted cotton, should be given special attention, as it would have been more attractive to early migrating plant bugs who would have begun depositing eggs weeks ago. Currently, we are dealing with the first generation of TBPs reared on cotton, especially in fields that have gone untreated. These immatures and adults are the most damaging to cotton and may require control measures if an economic threshold is reached. Normally this is a one and done proposition, not so this year with plant bug migration extended over several weeks. Expect to be battling this insect pest well into the stinkbug window. At this time of year, sweep nets and drop cloths are the most effective scouting method for adults and immatures.

The economic threshold is 15 plant bugs per 100 sweeps or 3 per drop cloth. If controls are needed, the choices are Centric at two ounces per acre, Transform WG at 1.5 ounces, Orthene at 0.5



Immature Plant Bug

Adult Plant Bug



pounds, or Bidrin at 4 ounces on blooming cotton. Expect only three to five days of control with these materials for neither provide residual activity so multiple applications may be necessary. Keep in mind Transform is the easiest on beneficial insect populations out of all these choices. Tank mixing with PGR applications is recommended to maximize trips across the field. The bottom line is we can ill afford further delays in maturity or yield loss to this insect pest, so monitor carefully.

Bollworm Resistance to Bt

These may be the four most feared words a cotton grower could hear. Unfortunately, in various locations across the cotton belt, the report of escaped bollworms is becoming more and more prevalent. Testing has documented some resistance by bollworms to Bt toxins in Bollgard II and Widestrike cotton, as well as in many Bt corns. Even so, let's not panic by jumping out and doing something unnecessary which may create greater problems down the line. Some people are touting the age-old practice of treating on egg counts. Don't forget Bt is still providing effective control of budworms and the human eye cannot distinguish between species based on eggs.

Instead, one is better advised to scout for escaped worms by looking in terminals and continuing down the plant into white blooms. Special attention should be given to fields planted in Bollgard II and Widestrike varieties, as well as those planted next to Bt corn. An economic threshold of four larvae (larger than newly hatched) per 100 plants should be used to initiate treatments. Historically, the July moth flight predominantly consists of bollworm moths while future moth flights will be a mixture of both bollworm and budworms.

Market Commentary

It appears, at least for now, we have found a tourniquet to stop the market's bleeding. Activity from the spec/fund community has slowed but not before a major shift in sentiment away from cotton. Latest reports show them 1.79 million bales net long cotton compared to last February when they were 12.30 million bales net long. However, at present demand and the trade's position have created a firm floor of support at 66 cents. As for fundamentals, the demand side still looks very positive. Old crop is all but gone with near term mill demand having to be supplied by new crop cotton. 2017/2018 U.S. weekly exports sales remain very strong. Thus far over 5 million bales of new crop has been committed to sales which doubles U.S. commitments at this same time last year. China's reserve auction continues to be successful with over 8.8 million bales bought to date while we still see them as buyers of U.S. cotton each week. Rumor is they may extend their

auction past August 1 which long term is bullish as these massive stocks are further reduced.

The production side of the equation is where things are still unclear and has hindered any market advance back to the 70's. The U.S crop despite improving over the past few weeks in many locations still should fall short of 19 million. In fact, West Texas will likely see a larger dryland abandonment that will offset, to some degree, their increase in acreage. In addition, a late crop with limited root development will be very dependent on frequent rains and a late freeze. The South Texas harvest is now in full swing with outstanding yields being reported, but in fact over half this crop is already sold. So as one can see our final production number is still very unclear. The ebb and flow of crop conditions over the next few months will certainly affect the market's direction. Watch for USDA's next supply/demand report due to be released on August 10th. This is the first where field surveys are conducted to derive production estimates, thus usually more accurate.

All this said, fundamentally we remain optimistic another run to the low 70's is very possible prior to harvest. Most thought last week's near 200-point gain was setting the stage. Currently, with the market at **68.62** it is still poised to do so. The question becomes, how will the spec community answer. Any significant rally is going to require some buying of the market on their part. On the other hand, further selling by them could threaten current support.

Going forward, those with unsold contracts should seriously consider any further move toward 70 cents as an initial pricing opportunity. Those fortunate to have previously priced some in the 70's have the luxury of watching this market. Even so, one might consider lowering any earlier placed orders around 75 cents to something more potentially obtainable in the lower 70s, especially with time not on our side. For Choice and AQCA growers who are pricing outside the pool, we will maintain a close eye on factors which might influence the market and keep you advised.

Until next time,



ATTENTION:

AQCA and Choice Cotton Company have relocated their offices to

169 East Main Street

Prattville, Alabama 36067.

Please note our new mailing address and send all future documents to this location.