

# **Barnhardt 3rd Quarter 2017 Cotton Report**

The cotton market has experienced some short-term upheaval with Hurricane Harvey impacting south Texas and Louisiana, and then Hurricane Irma impacting parts of the southeastern U.S. While the impact to the citizens of Houston and other areas in south Texas has been horrendous, the impact to the overall U.S. cotton crop has, to this point, been minimal.

## **Global Numbers: Steady, and Mostly Rising**

On the global cotton crop, India is projecting a 30 million bale crop, which is up 1 million bales from the original forecast. Australia is forecasting an increase of 200,000 bales and a 5 million bale crop, while Brazil's crop has increased by .5 million bales to 7.5 million. China's crop has held steady at just under 25 million bales.

## **In the U.S., Hurricanes Will Affect Numbers**

The USDA corrected the number of acres planted Sept. 15 with an increase of 500,000 acres; that increases the forecasted U.S. yield to just under 22 million bales. However, the current USDA data does not take into account the effect that the two recent hurricanes will have on this number. Speculation is that there could be as much as a 1.5 million bale decrease due to the hurricane damage. Conservative forecasters are now looking for just under a 20 million bale harvest in the U.S.

# **The 2017 Crop Beats Last Year's Inventory Mark**

With the increased production forecasted globally, the global 2017 crop is now estimated to be 120 million bales. The forecasted consumption is also up by 350,000 bales, or 118 million bales in total. Based on these current assumptions, the global stocks-to-use ratio will increase by approximately an additional 200,000 bales, which translates to a total of almost 93 million bales in inventory—which is a 3 million bale increase over prior year.

## **U.S. Farmers Hoping to Find Sunny Days Ahead**

It is important to note that very little cotton has been harvested in the U.S. at this point, so the weather for the next several months is very important. A local prominent cotton farmer in the southeastern U.S. tells us that the cotton has plenty of moisture at this point, and really needs a good couple of weeks of dry, hot, sunny days for the cotton to finish making. At this point, it all rests in Mother Nature's hands.