

# Shurley on Cotton: 2019 Acreage, Production Will Remain a Mystery

July 1, 2019

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Last season, US farmers planted 14.1 million acres of cotton. Back in March, USDA's Prospective Plantings report estimated that farmers intended to plant 13.78 million acres this year—2.3% less than last year.

I distinctively remember that prior to the March number, the general consensus among industry analysts was that acreage would again be somewhere north of 14 million acres. The National Cotton Council, in February, had released their estimate of 14.45 million. Cotton prices (new crop Dec18 futures) were in the low 70's.

Overall, I believe the March intentions were considered about right. But, since then, cotton prices have declined and we've had extremely wet conditions in some areas and drought in others. We've had a combination of late/delayed planting in some areas and prevented planting in the same or other areas.

Further, even for cotton planted, some was done so in very dry conditions. Some cotton that was planted had to be replanted. Some cotton that was planted will end up not being harvested.

USDA's Acreage report is the first survey-based estimate of acres actually planted. The estimate is based primarily on surveys conducted during the first 2 weeks of June. Today's report says farmers have "planted and intend to plant" 13.72 million acres—down slightly from the March number and 2.7% less than last year.

Given the decline in prices and the troubles of the planting season, I suppose we should not be surprised that the June number is low and less than last season—but, this also begs the question. We know that acres have been prevented due to rain or drought. We don't yet know the extent of that but it could be enough to mean that acres actually intended to be planted were more than the March 13.78 number?

The June survey ask farmers how much they have planted and still intend to plant as of the first 2 weeks of June. It could be that even some of these acres were not planted. In other words, could even the 13.72 number end up a little high?

Look, US acres and production are fragile. Acres planted, yield, and acres harvested are especially big wild cards this year. That, in and of itself, isn't likely enough to give us a boost in prices (Dec futures are currently in the 66 cents area and seem to have some support there). But, combine less than expected US production with eventually good news on the US-China trade front, good export numbers, and growth in use—that combination is what the grower should be on the lookout for.