



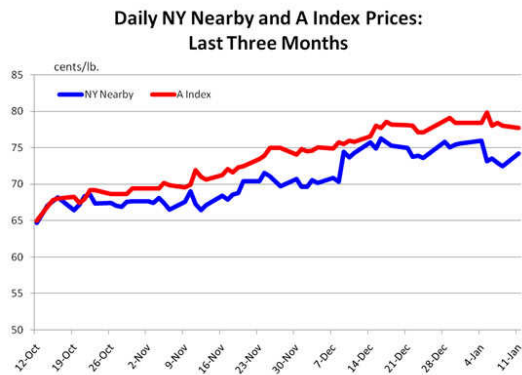
The Grower-Owned Association
Marketing Only California Cotton

THE QUALITY COTTON UPDATE

Volume 1	<h2>San Joaquin Valley</h2> <h3>Quality Cotton Growers Association</h3>
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SJV Acala market:

The Acala market continues to be fairly firm in spite of nearby futures contracts losing about 450 points since the beginning of the year. A rather bearish USDA Supply/Demand report for soybeans and the grains last week rubbed off on cotton futures as spec selling led the way. Index Funds are believed to be in a reallocation mode as a result of deteriorating technical signals within the futures market.



China has announced its intention to tighten credit rules and increase interest rates which will ultimately have a dampening effect on Chinese demand. Upland export sales registrations remained strong during the week ending January 14, increasing by 321,900 running bales.

Markets are also being affected by talk of a replacement of Federal Reserve Chairman, Ben Bernanke. A new Chairman usually means a shift in at least some form of US monetary policy. This uncertainty lends itself to investor uneasiness in an already tentative economic situation.

RECENT MARKET PRICE LEVEL — Roller Acala \$0.80 - 0.85
Saw Acala \$0.77 - 0.82

SJV Pima market:

Pima prices remain firm to higher as mills continue to make enquiries on SJV Pima cotton. Underlying the continued sales is a favorable export certificate, currently still 11.37 cents per pound. Recent US Export Sales Report indicated Pima sales were up substantially from the previous week but down slightly from the previous 4 week average pace. Increases were primarily for China (5,000 RB) Pakistan (2,600 RB) Taiwan (2,000 RB) and India (1,000 RB.)

RECENT MARKET PRICE LEVEL — \$1.20 - 1.30



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FSA 2010 Deadlines:

DCP & ACRE contracts June 1, 2010
Small Grain certification April 30, 2010
All Other Crop certification July 15, 2010
Reconstitutions August 1, 2010

Or see www.fsa.usda.gov

Did you know ?

SJV Quality Cotton Growers is California's ONLY marketing group certified by NCC in the Producer Interest segment.

ECONOMIC Last 30 day TRENDS: changes

– SJV Quality Cotton Growers Association joins other ag groups endorsing Senator Murkowski's resolution of disapproval to EPA for regulation of greenhouse gasses. More details to follow.	Dollar ↑
	Prime Rate ↔
	CRB index ↑
	DJ Average ↓
	Natural Gas ↓
	Diesel ↑
	Polyester ↑

ELS Competitiveness Payment Values

