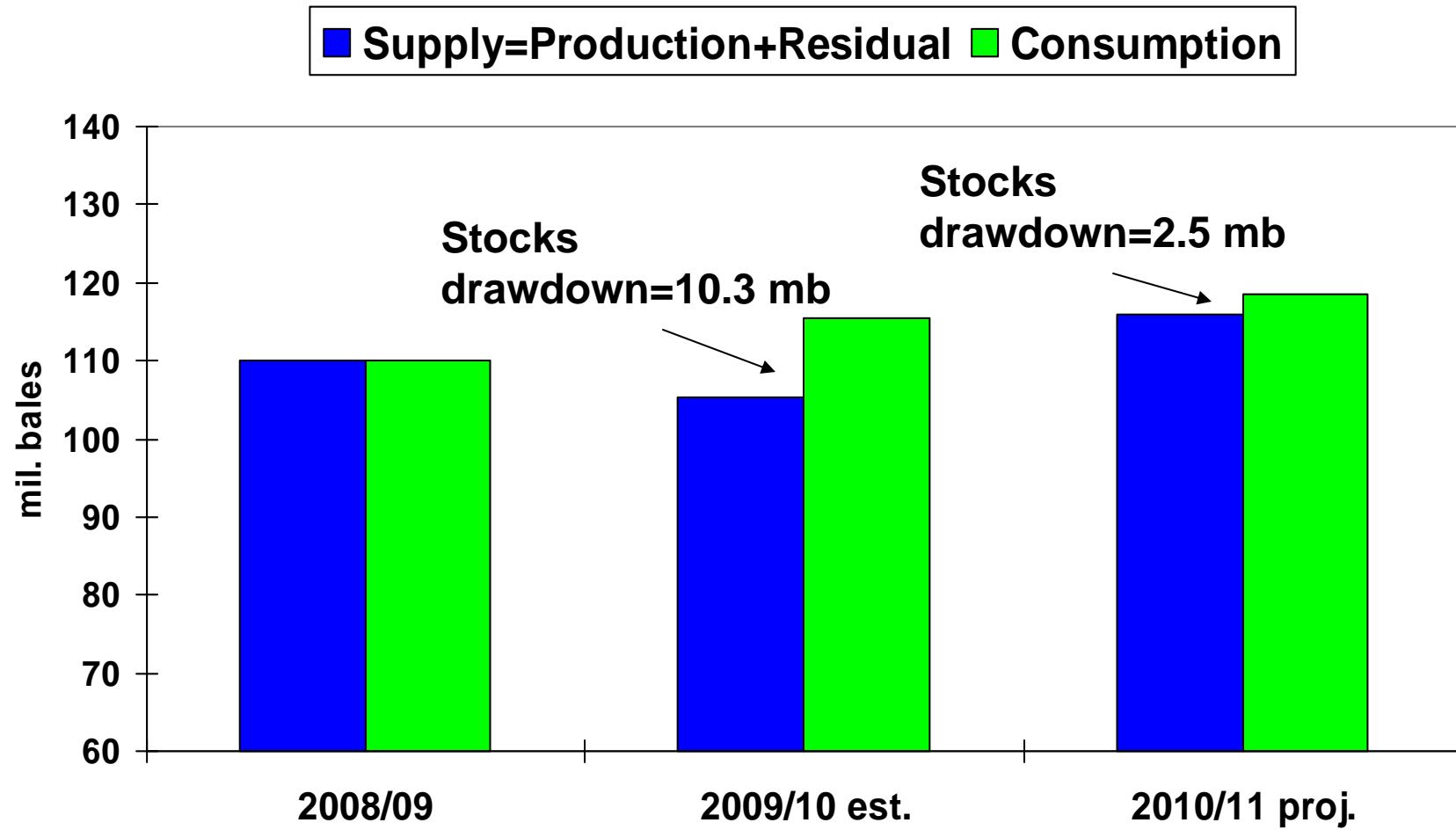


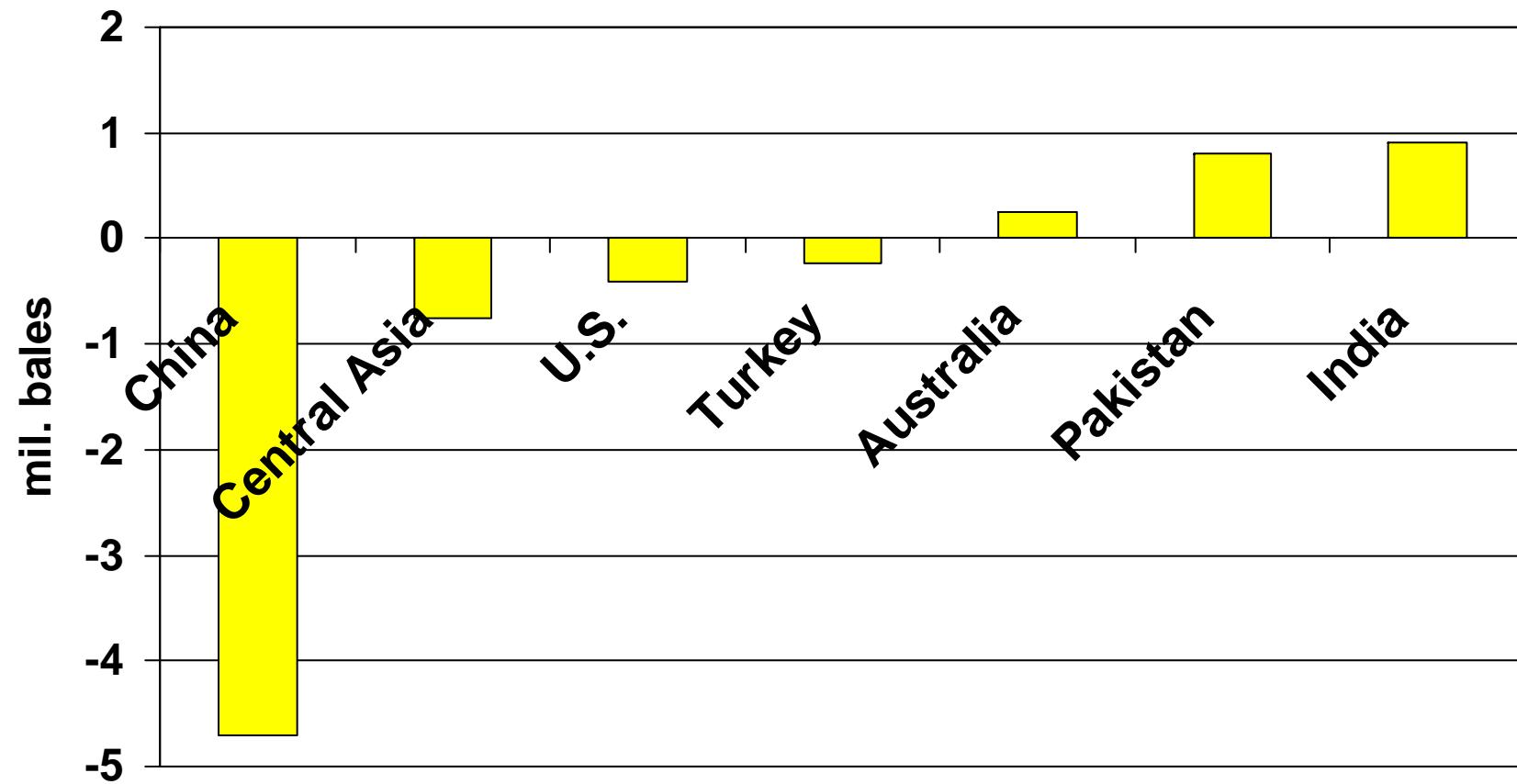
The USDA Cotton Outlook for 2010/11

**USDA Agricultural Outlook Forum
Interagency Cotton Estimates Committee
February 19, 2010**

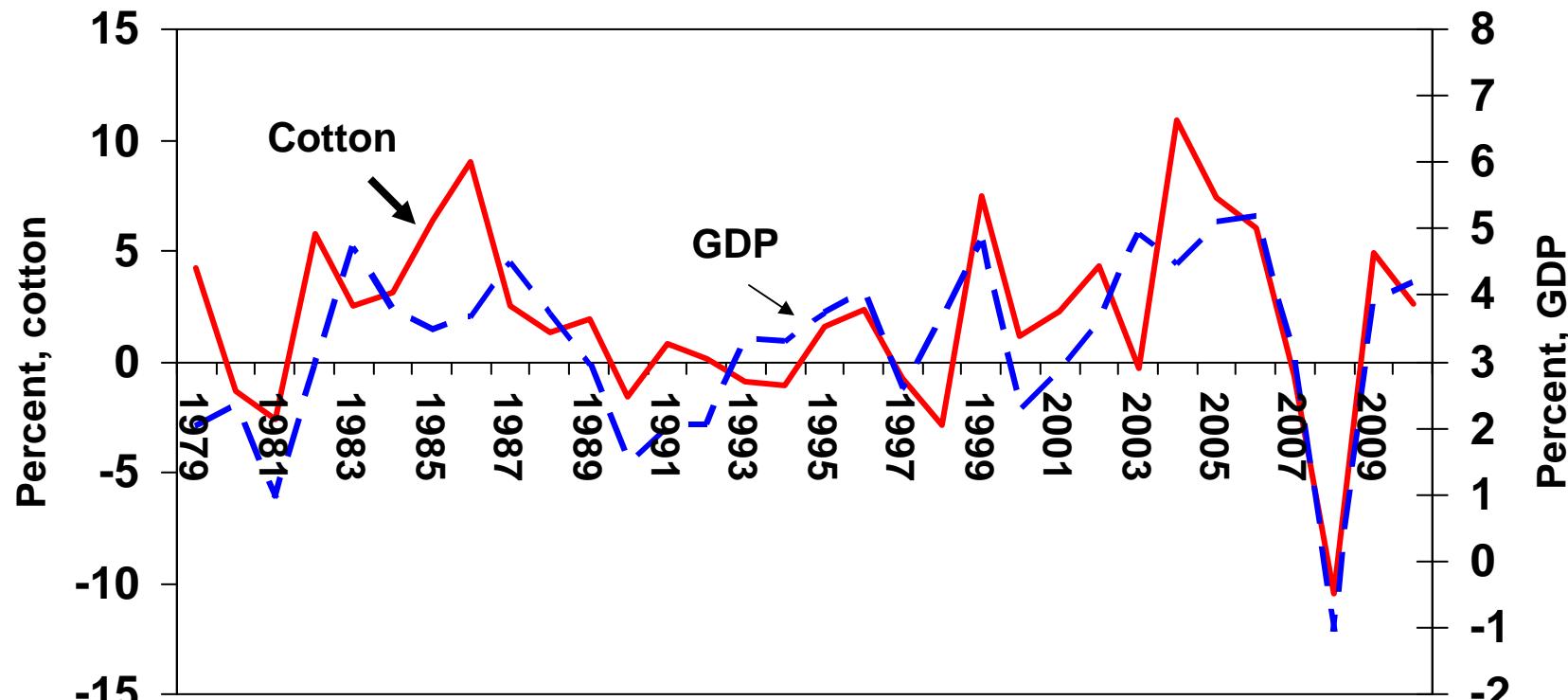
World Cotton Supply and Consumption 2005/06 through 2010/11 proj.



Estimated Changes in World Production, 2009/10 compared with 2008/09

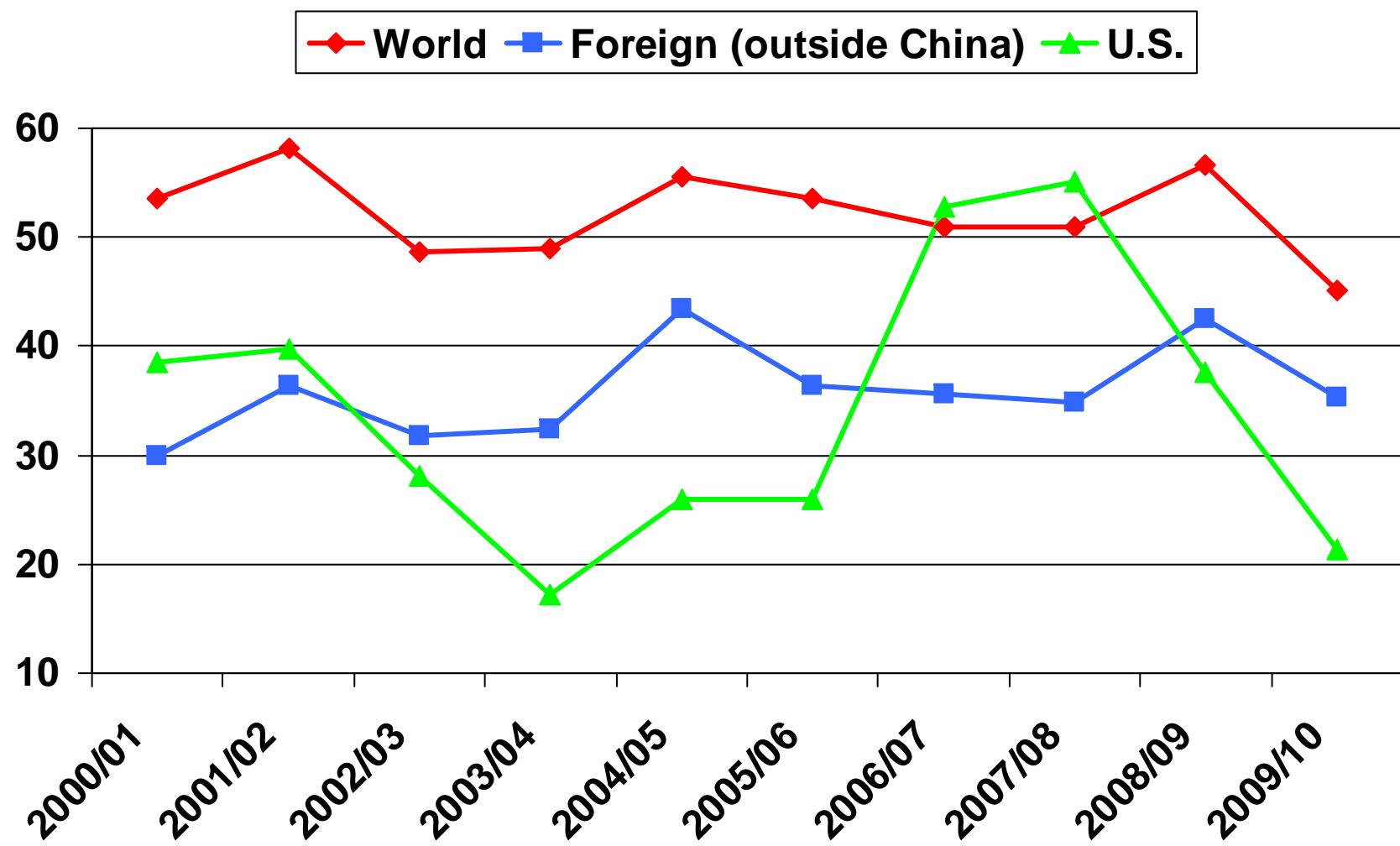


World Cotton Consumption and Economic Growth



Sources: USDA, International Monetary Fund, and GlobalInsight .

10 Seasons of Stocks-to-Use Ratios

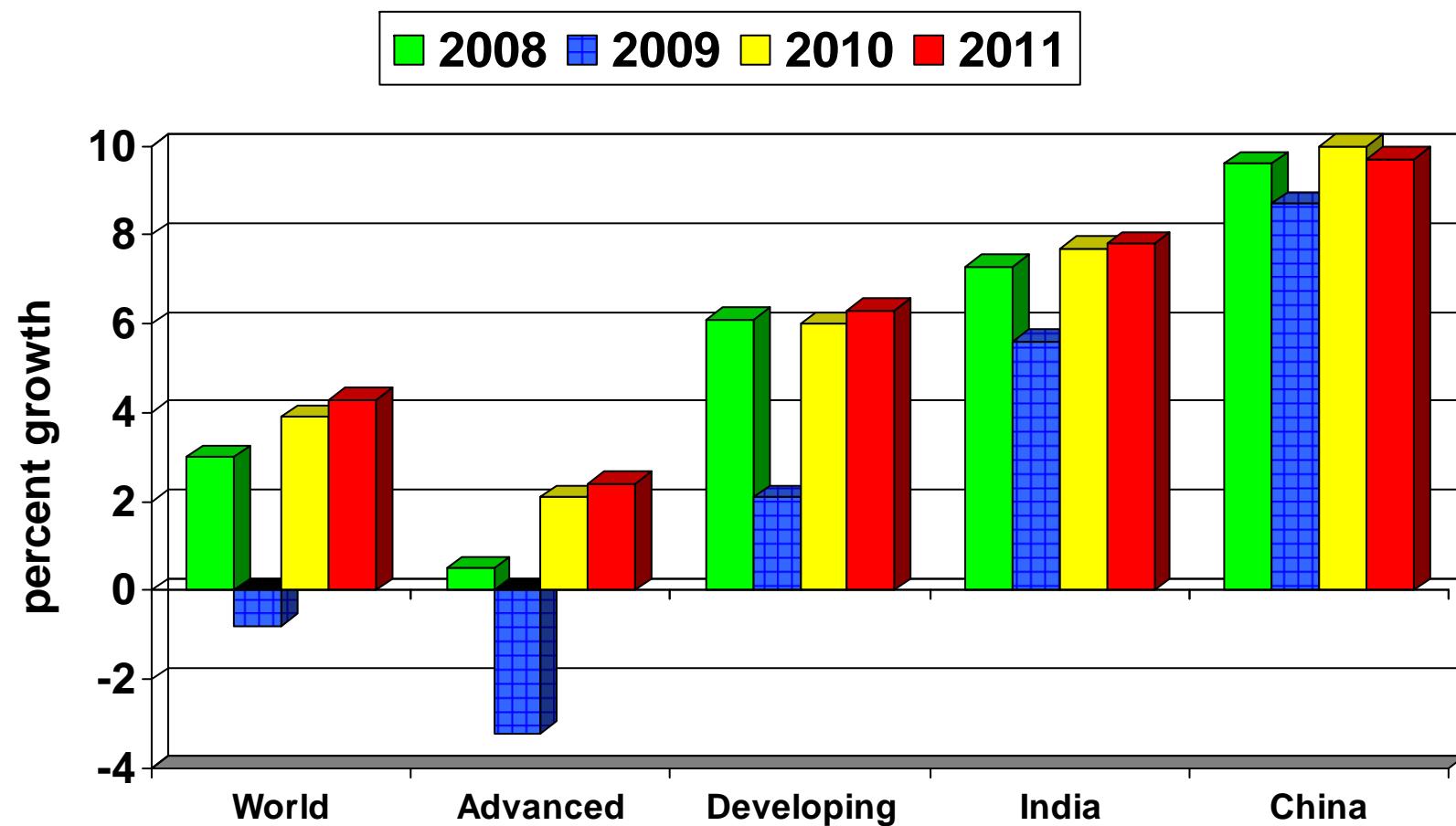


World Production Up 10.5% in 2010/11

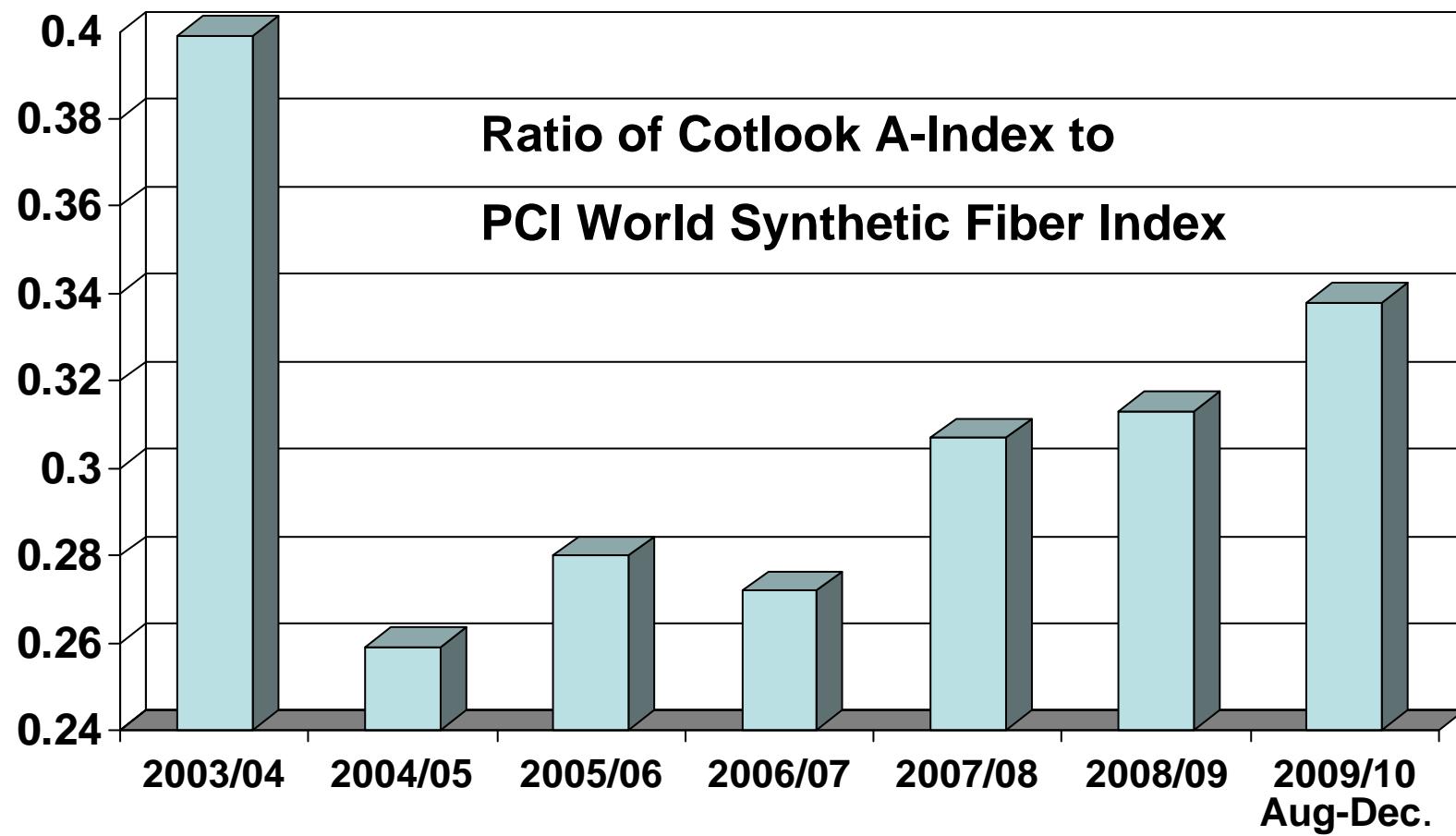
- **Rising cotton prices combined with a return to normal weather will raise production nearly 11.0 million bales.**
- **Production higher in all major cotton-producing countries.**
- **Over 80 percent of the increase accounted for by: the U.S. (+3.6 mb); China (+3.0 mb); India (+1.5 mb); and Brazil (+.85 mb).**

IMF Economic Growth Projections

January 2010

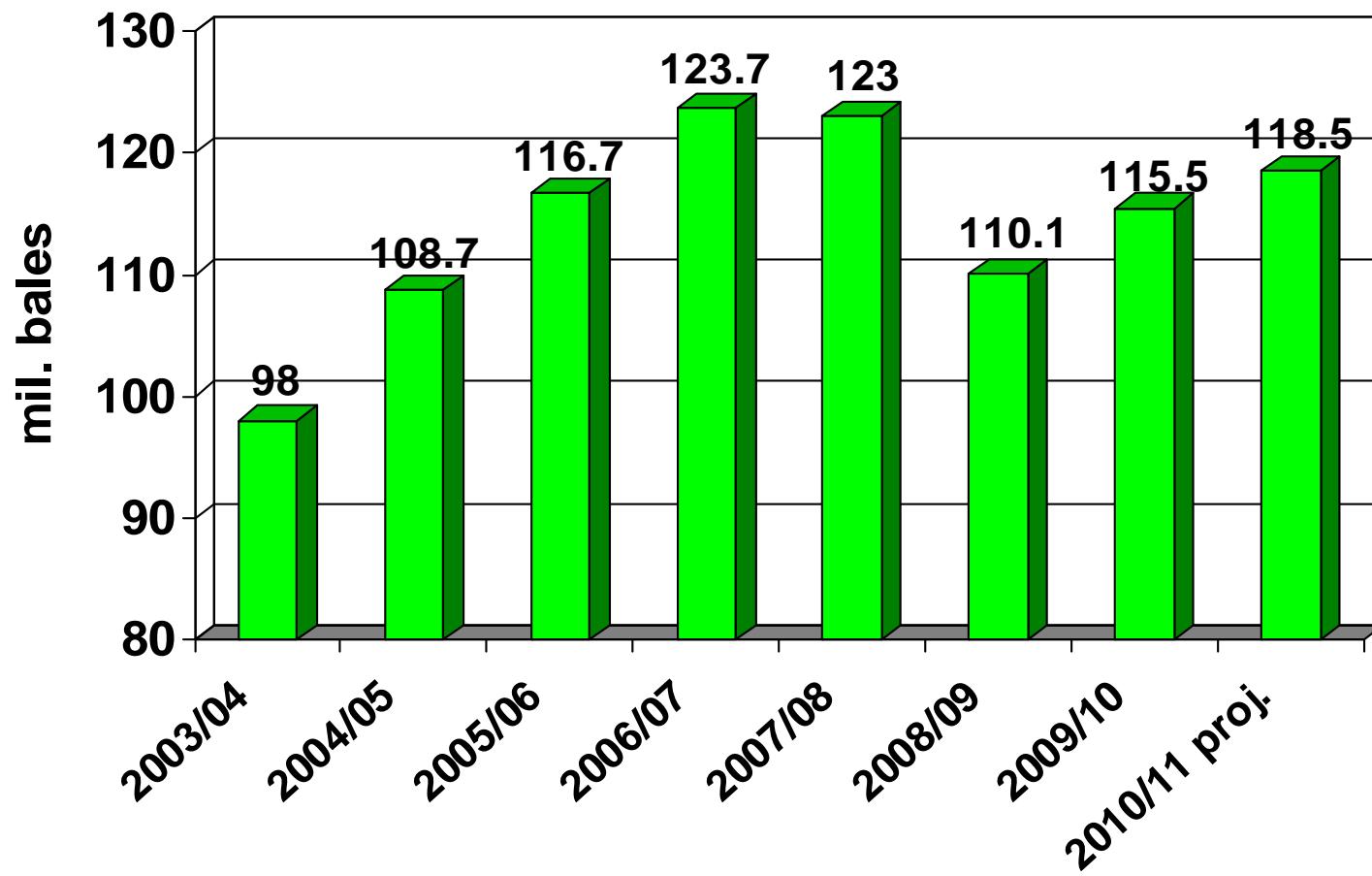


Cotton-to-Polyester Price Ratios: 2009/10 Reaches Six-Year High



World Consumption

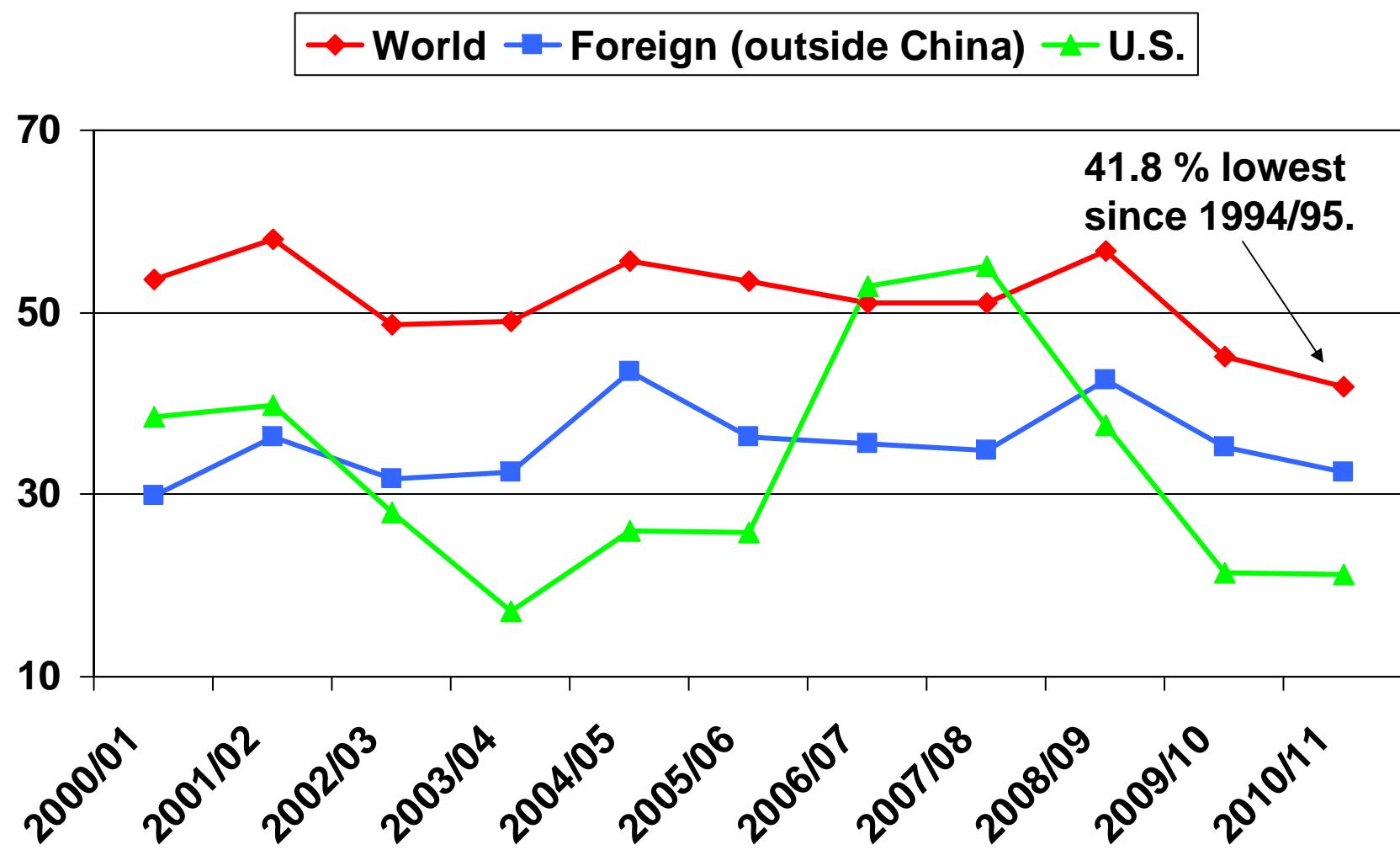
2003/04 through 2010/11 proj.



World Cotton Supply and Demand, 2009/10 and 2010/11 proj. (mil. bales)

<u>Item</u>	<u>2009/10</u>	<u>2010/11</u>	<u>Change (%)</u>
Beg. stks	62.4	52.1	-16.6
Production	102.7	113.5	+10.5
Imports	33.8	37.0	+9.6
Total supply	198.9	202.6	+1.8
Consumption	115.5	118.5	+2.6
Exports	33.8	37.0	+9.6
Total Use	149.3	155.5	+4.2
Residual	-2.5	-2.5	0
Ending stks	52.1	49.6	-4.8
Stocks-to-Consumption (%)	45.1	41.8	

Stocks-to-Use Ratios through 2001/11 proj



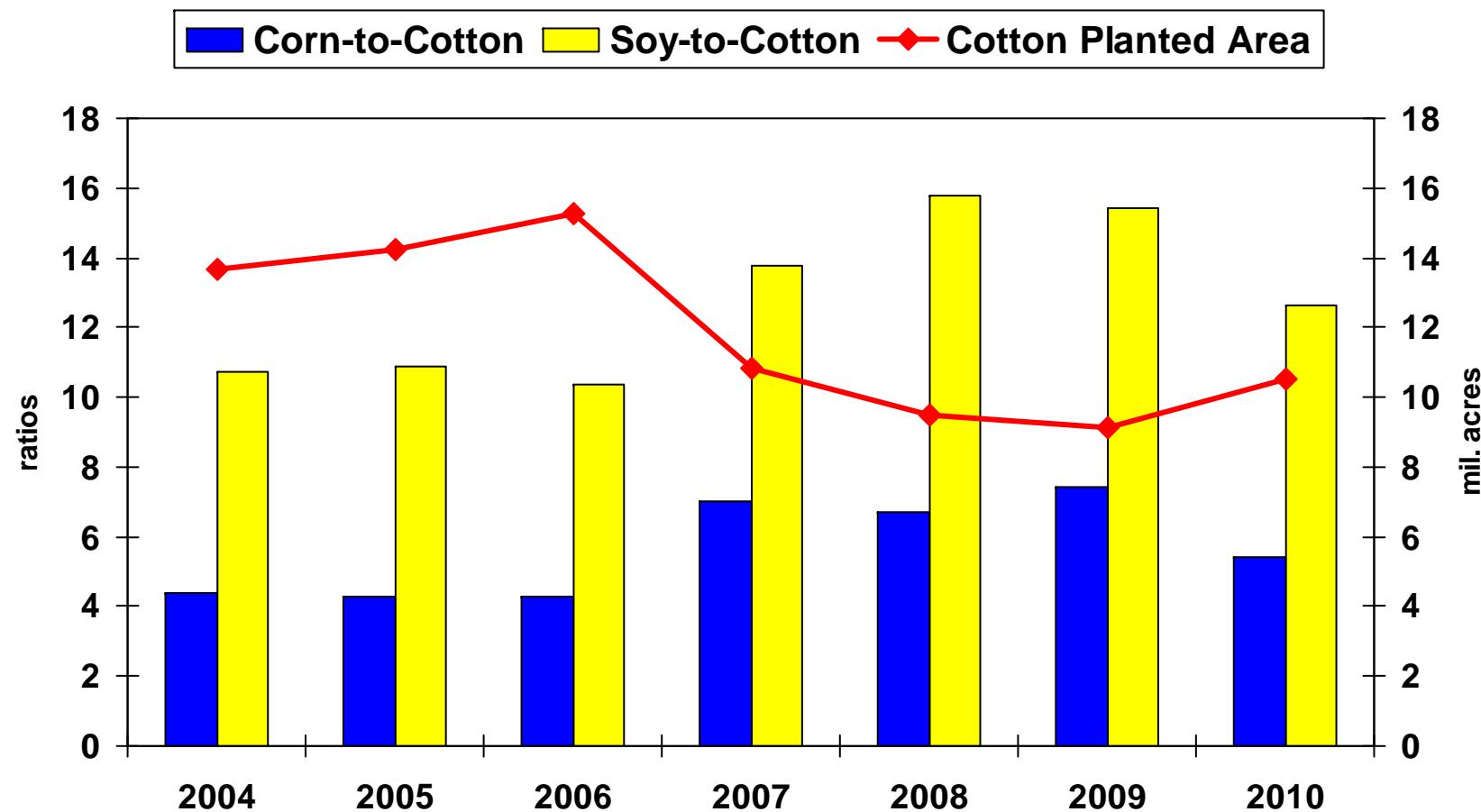
Projected U.S. Area and Production

- A 15-percent increase in acres planted to 10.5 million.
- With average abandonment of 11 percent, harvested acres would be 9.3 million.
- Average yield per harvested acre of 825 lbs.
- Production is forecast at 16.0 million bales.

Harvest Futures Prices as of February

Ratios of Corn and Soy to Cotton

(2010 based on Feb. 15, 2010)

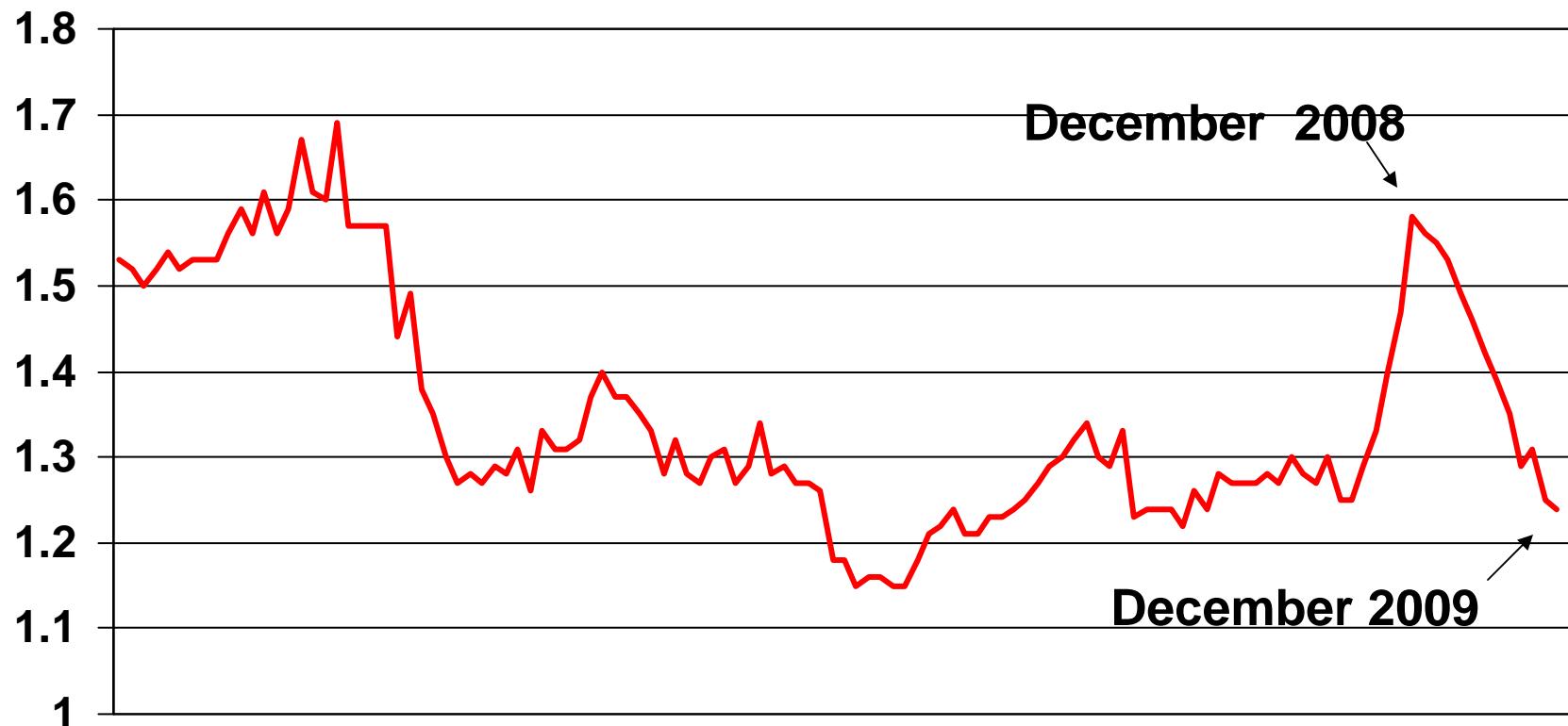


U.S. Supply and Demand, 2009/10 and 2010/11 proj. (mil. bales)

<u>Item</u>	<u>2009/10</u>	<u>2010/11</u>	<u>Change (%)</u>
Beg. stks	6.3	3.3	-47.9
Production	12.4	13.0	+29.3
Imports	0	0	0
Total supply	18.7	19.3	+3.2
Consumption	3.4	3.4	0
Exports	12.0	12.6	+5.0
Total Use	15.4	16.0	+3.6
Ending stks	3.3	3.4	+2.7
Stocks-to-use (%)	21.4	21.2	
Farm price (cents/lb.)	62.0	64.0	+3.2

U.S. Textile Inventory-to-Shipment Ratios

January 2000-December 2009



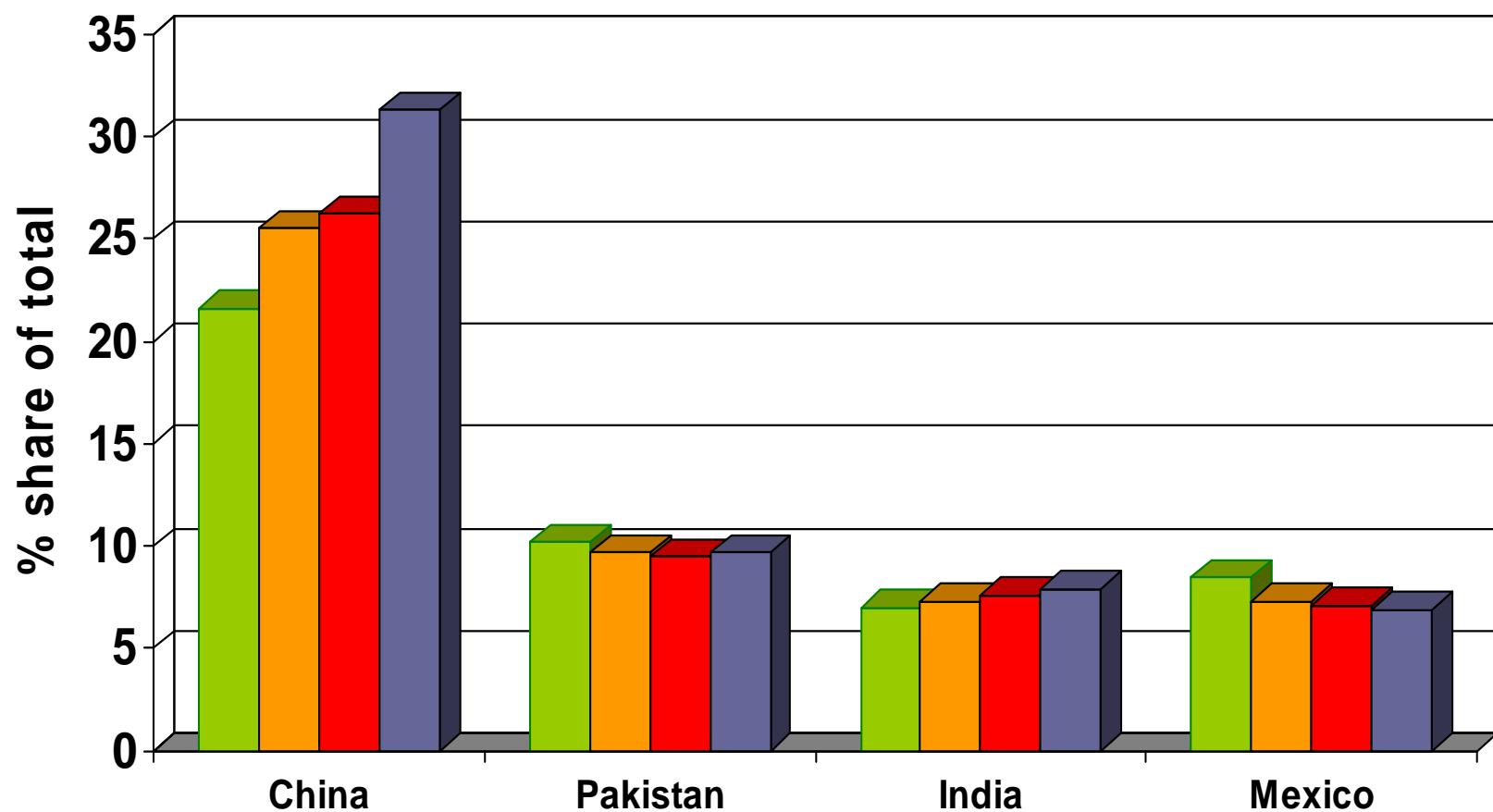
Source: U.S. Bureau of the Census

U.S. Cotton Textile Imports

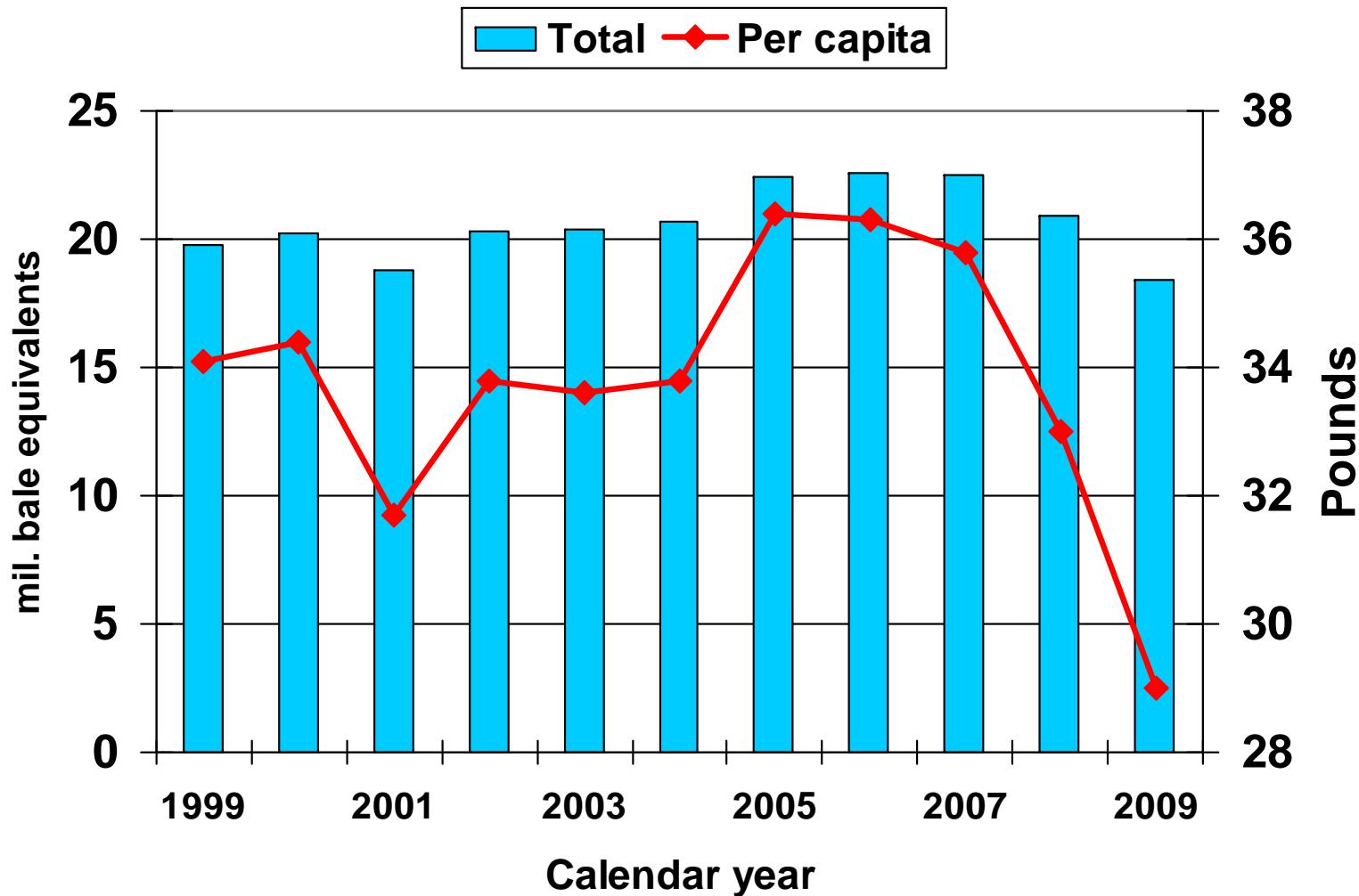
Share by Origin from Leading Suppliers

(raw fiber equivalent basis)

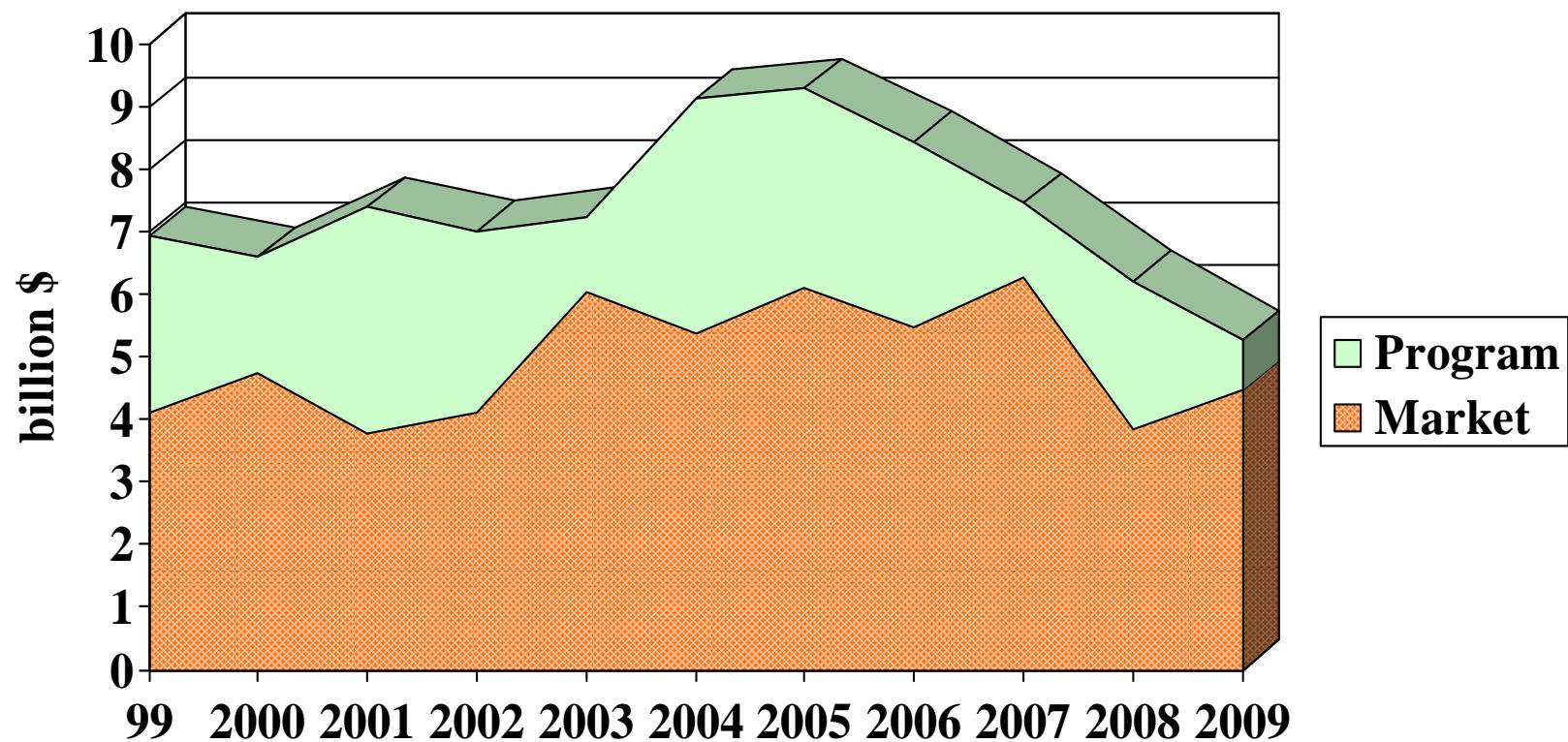
■ 2006 ■ 2007 ■ 2008 ■ 2009



U.S. Domestic Cotton Consumption: Total and Per Capita



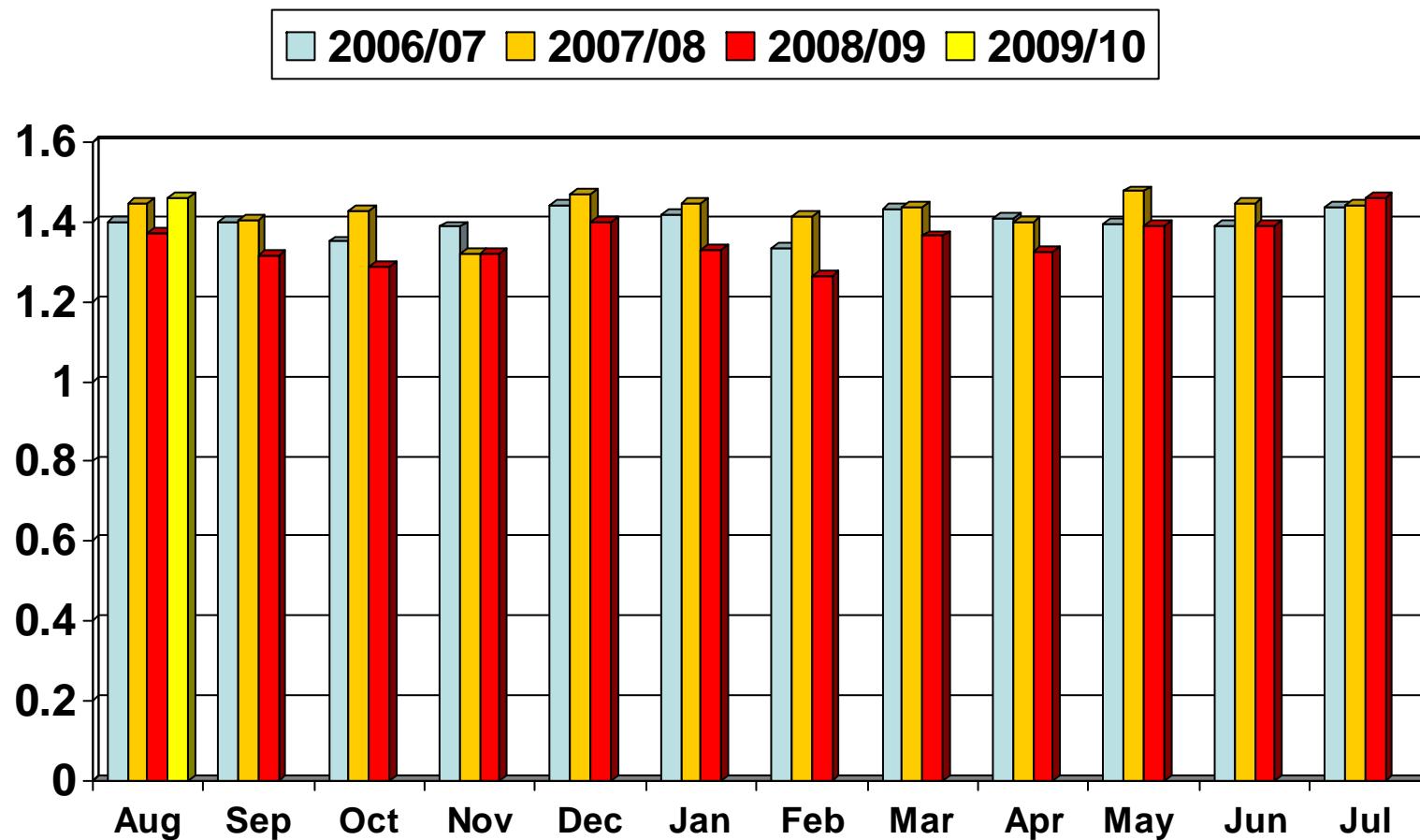
Gross Cotton Farm Income 1999/2000 through 2009/10 est.



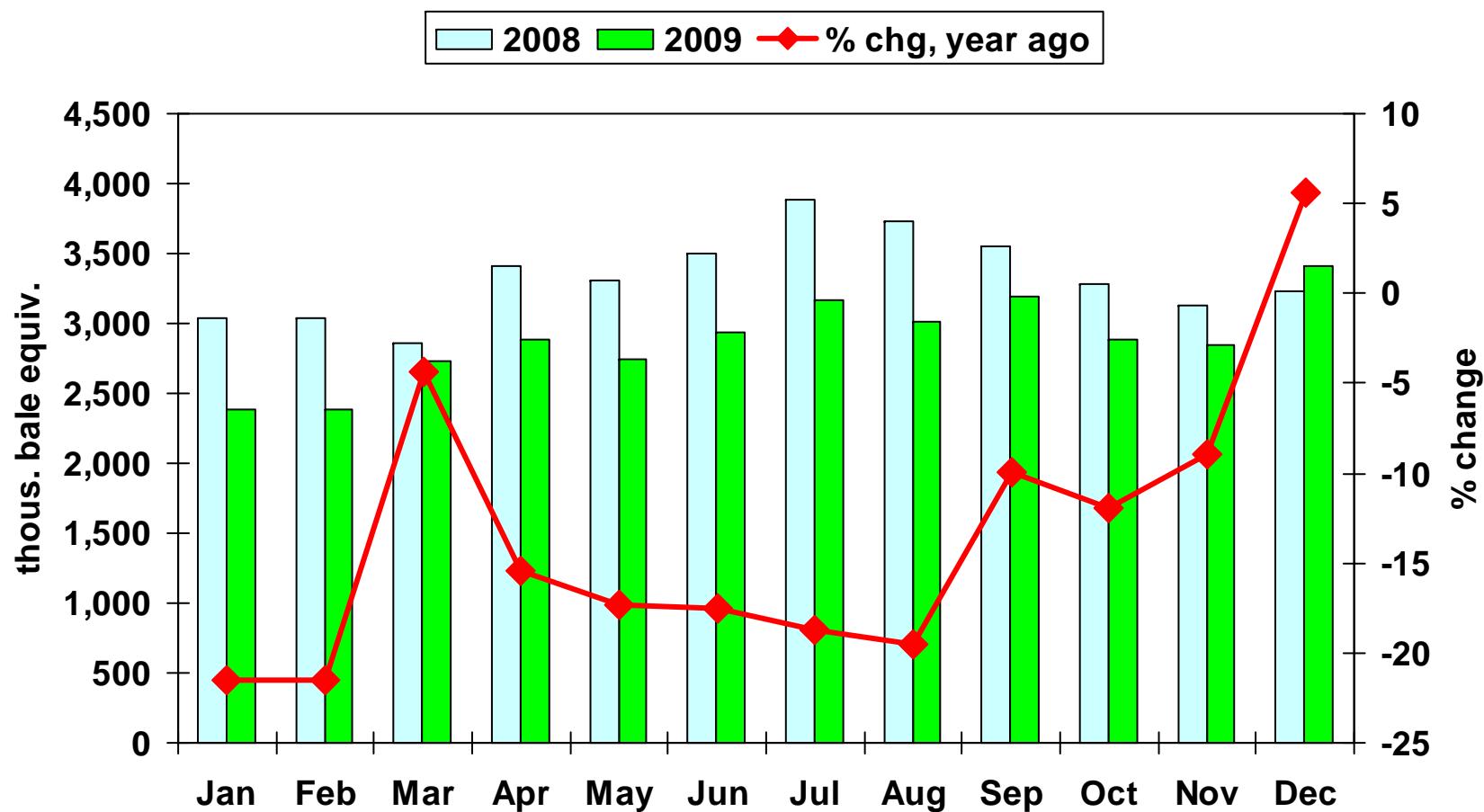
China Cotton Supply and Demand, 2009/10 and 2010/11 proj. (mil. bales)

<u>Item</u>	<u>2009/10</u>	<u>2010/11</u>	<u>Change (%)</u>
Beg. stks	22.4	18.3	-18.2
Production	32.0	35.0	+9.4
Imports	9.0	10.0	+11.1
Total supply	63.4	63.3	-0.1
Consumption	47.5	49.0	+3.2
Exports	0.1	0.1	0
Total Use	47.6	49.1	+3.1
Residual	-2.5	-2.5	0
Ending stks	18.3	16.8	-8.5
Stocks-to-Use (%)	38.5	34.2	

India Mill Use



China's Net Textile Exports by Month, raw fiber equivalents



India Cotton Mill Use by Month

