

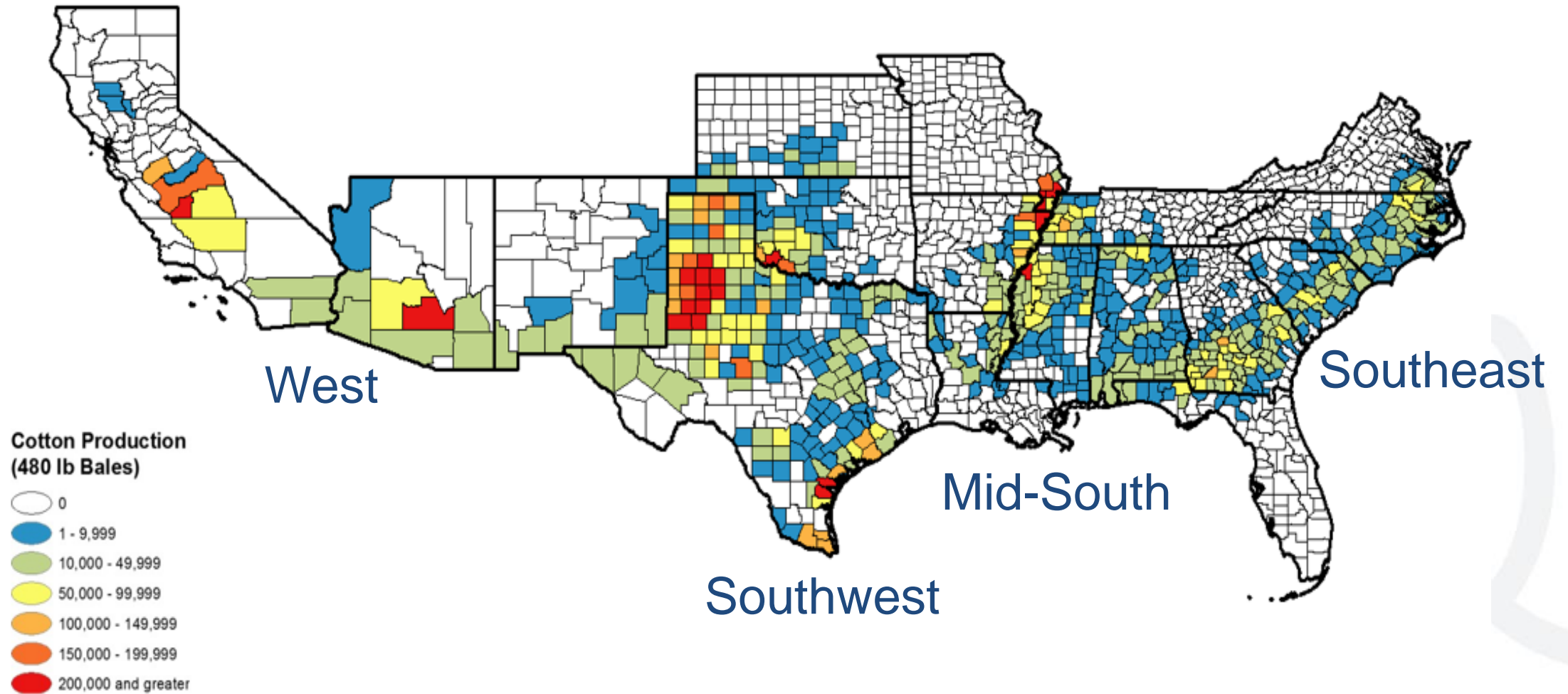
# U.S. PRODUCTION OUTLOOK AND WORLD COTTON PRODUCTION, SUPPLY AND DEMAND 2019



# U.S. PRODUCTION OUTLOOK

The background of the slide is a monochromatic blue-tinted photograph. It depicts a wide, flat field, possibly a crop field, with a series of dark, parallel lines (likely tire tracks or furrows) leading from the bottom center towards the horizon. The horizon is a thin, dark line separating the field from a sky filled with soft, textured clouds. The overall mood is serene and expansive.

# THE U.S. COTTON BELT



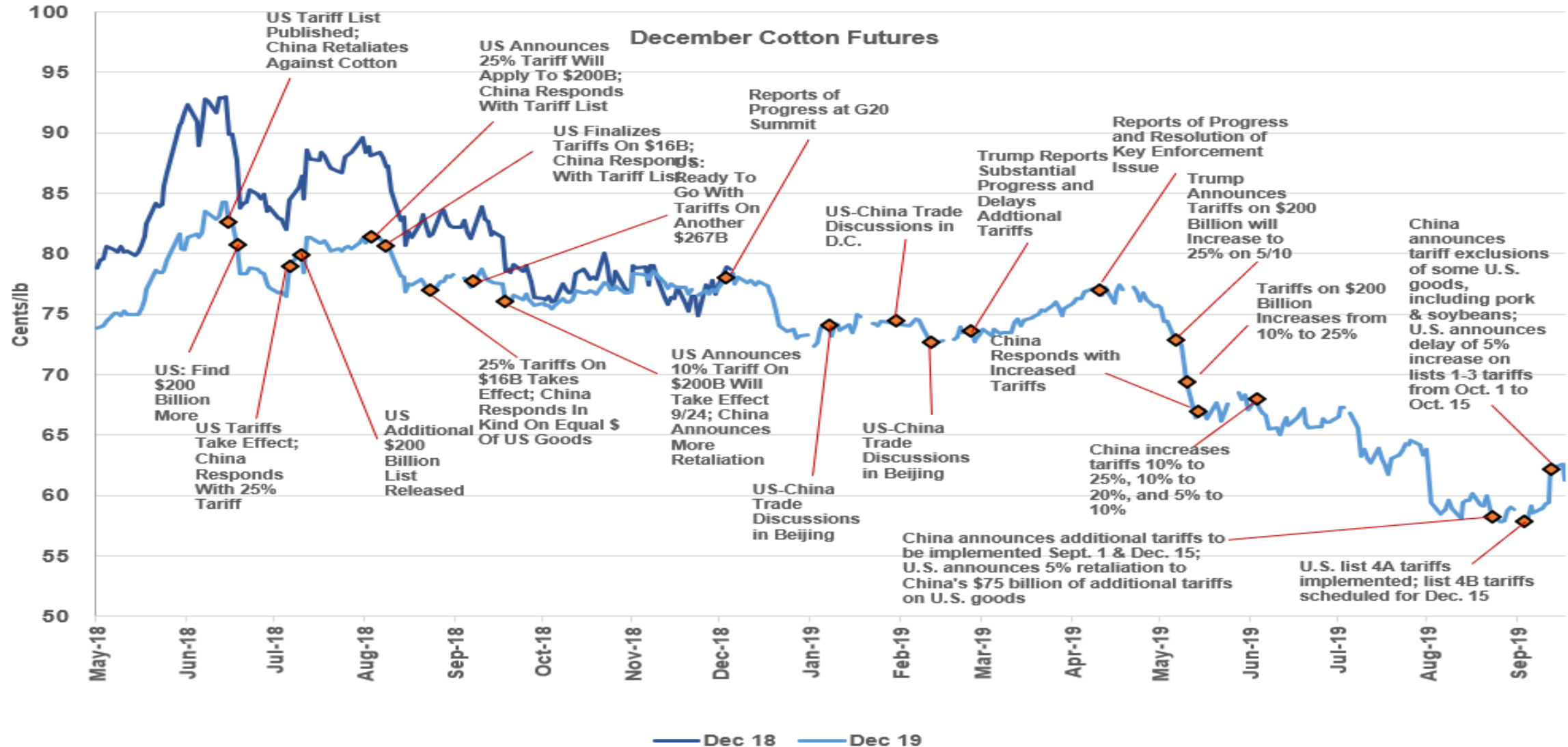
# PRE-PLANTING MARKET SIGNALS

	Cotton	Corn	Soybeans	Cot/Corn	Cot/Soy
2020	64.65¢	\$4.04	\$9.52	16.0	6.8
2019	73.98¢	\$3.99	\$9.47	18.5	7.8
2018	76.27¢	\$3.95	\$10.15	19.3	7.5
2017	73.53¢	\$3.91	\$10.08	18.8	7.3
2016	59.68¢	\$3.84	\$8.92	15.5	6.7
2015	65.00¢	\$4.13	\$9.72	15.7	6.7
2014	78.57¢	\$4.66	\$11.44	16.9	6.9

2020: Nov 20'/Dec 20' futures in mid-September 2019, 2014-2019: avg Jan-Mar Nov/Dec contract price



# COTTON PRICES & CHINA TRADE POLICY



# 2019 U.S. COTTON PLANTINGS

THOUSAND ACRES

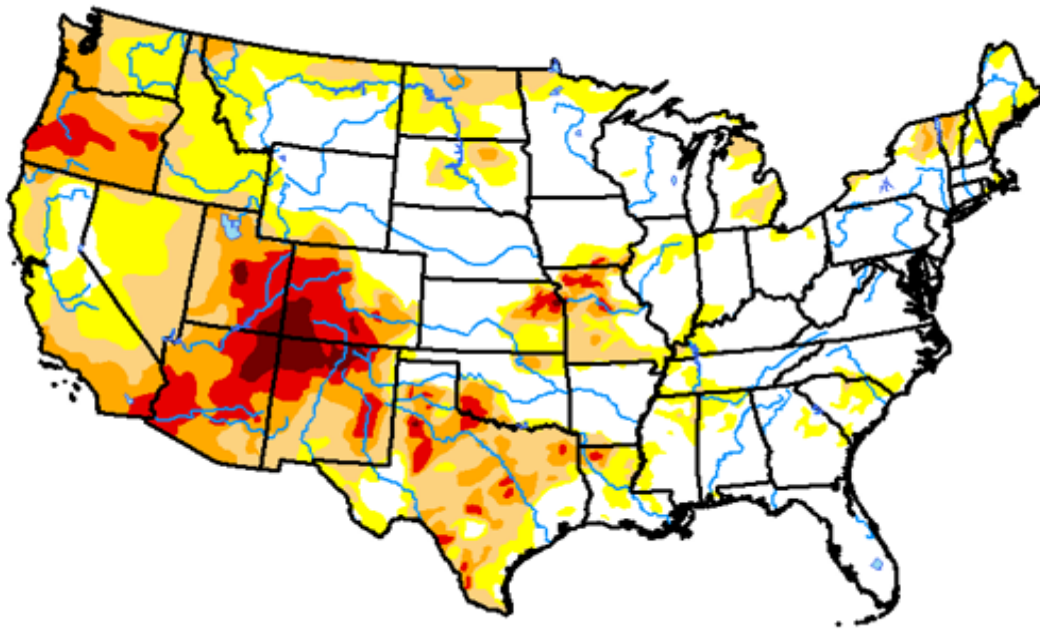
	2018 Actual	2019 USDA Estimated	% Change
Southeast	2,885	2,968	+2.9%
Mid-South	1,985	2,410	+21.4%
Southwest	8,695	7,875	-9.4%
West	285	278	-2.5%
ALL UPLAND	13,850	13,531	-2.3%
ALL ELS	250	231	-7.9%
ALL COTTON	14,100	13,762	-2.4%

# U.S. DROUGHT MONITOR

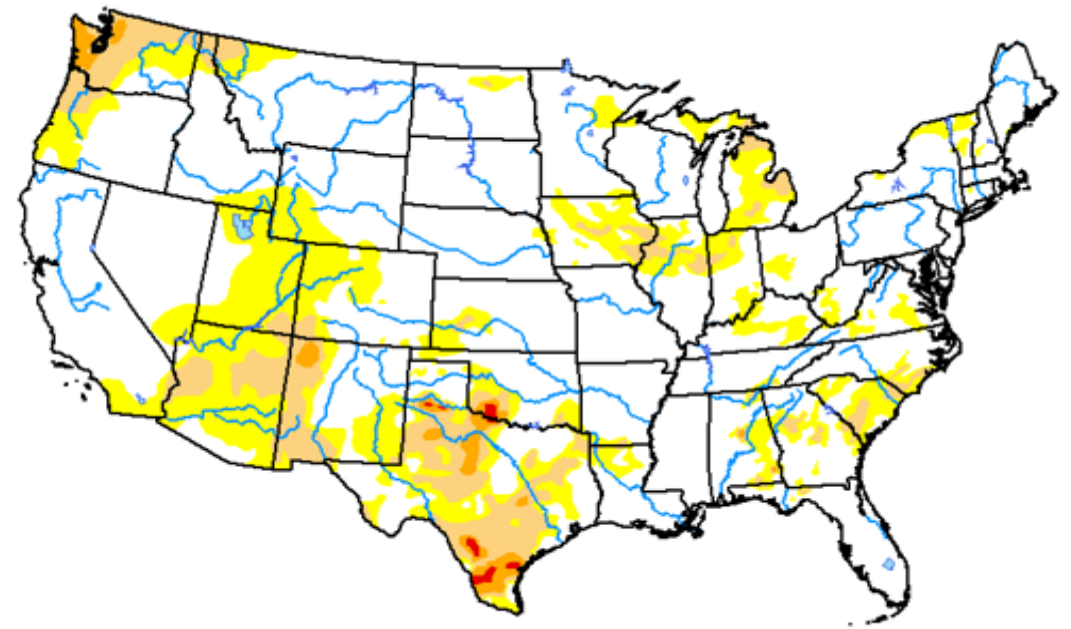
## Drought Classification

None D0 (Abnormally Dry) D1 (Moderate Drought) D2 (Severe Drought) D3 (Extreme Drought) D4 (Exceptional Drought)

**September 4, 2018**



**September 3, 2019**

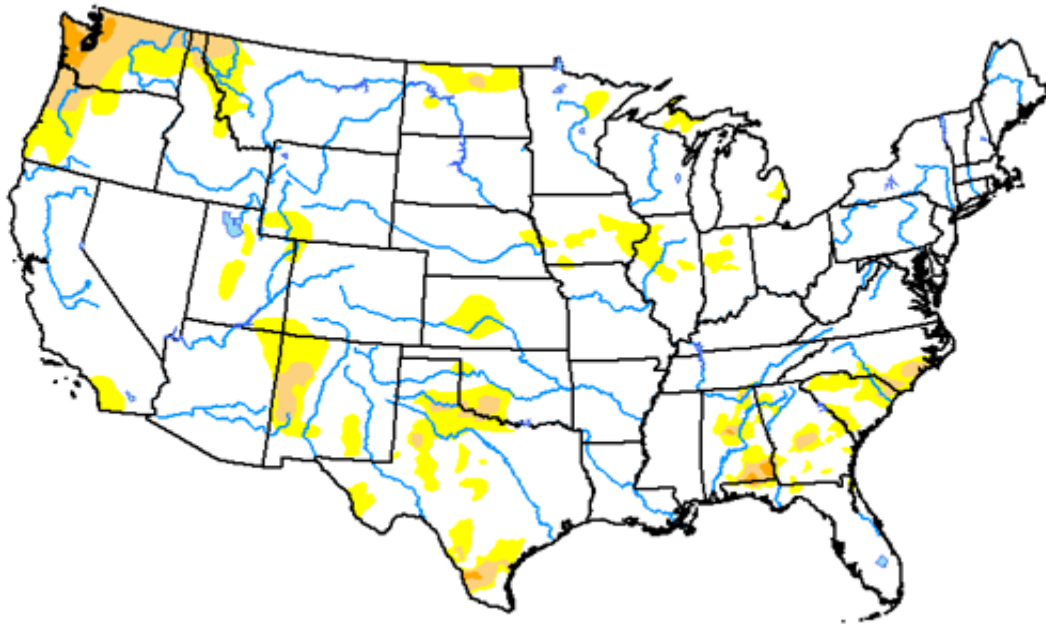


# U.S. DROUGHT MONITOR

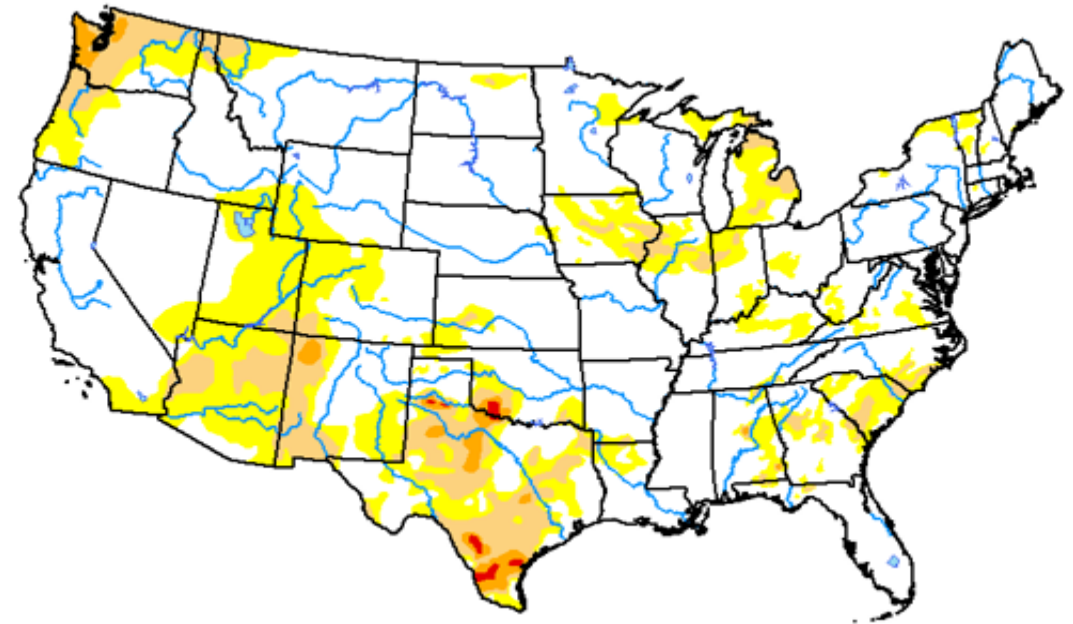
## Drought Classification

None D0 (Abnormally Dry) D1 (Moderate Drought) D2 (Severe Drought) D3 (Extreme Drought) D4 (Exceptional Drought)

**July 30, 2019**



**September 3, 2019**





# U.S. COTTON CONDITION

## Cotton Condition – Selected States: Week Ending September 15, 2019

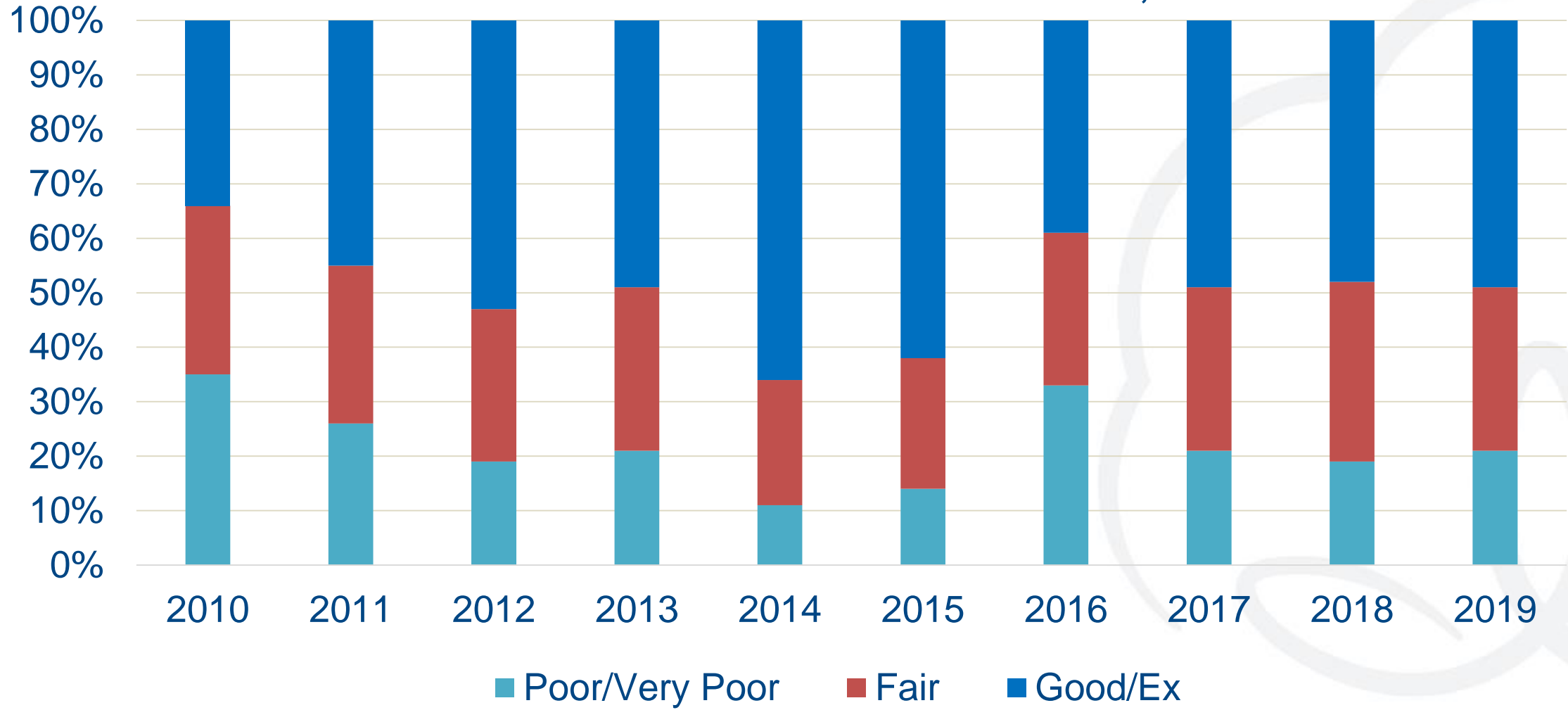
[These 15 States planted 99% of the 2018 cotton acreage]

State	Very poor	Poor	Fair	Good	Excellent
	(percent)	(percent)	(percent)	(percent)	(percent)
Alabama .....	2	9	31	50	8
Arizona .....	-	11	41	39	9
Arkansas .....	-	5	14	40	41
California .....	-	-	65	30	5
Georgia .....	3	9	31	48	9
Kansas .....	6	14	36	39	5
Louisiana .....	-	3	32	58	7
Mississippi .....	-	3	38	43	16
Missouri .....	7	10	52	31	-
North Carolina .....	5	17	33	39	6
Oklahoma .....	2	7	50	40	1
South Carolina .....	1	8	31	56	4
Tennessee .....	4	8	29	45	14
Texas .....	3	19	47	27	4
Virginia .....	-	5	12	73	10
15 States .....	3	14	42	34	7
Previous week .....	3	15	39	37	6
Previous year .....	8	24	29	30	9

- Represents zero.

# U.S. COTTON CONDITION

WEEK ENDING SEPTEMBER 15, 2019



# U.S. COTTON PRODUCTION & ABANDONMENT



# U.S. COTTON PRODUCTION

	18/19	19/20
Planted (Mil Ac)	14.1	13.8
% Un-harvested	27.6%	9.1%
Harvested (Mil Ac)	10.2	12.5
Yield	864	839
Production (Mil MT)	4.0	4.8

September 2019 USDA WASDE estimates



# U.S. BALANCE SHEET

MILLION METRIC TONS

	17/18	18/19	19/20	Change
Production	4.6	4.0	4.8	+0.8
Mill Use	0.7	0.7	0.7	0
Exports	3.5	3.2	3.6	+0.4
Stocks	0.9	1.0	1.6	+0.5
Stocks/Use	22%	29%	33%	+4%

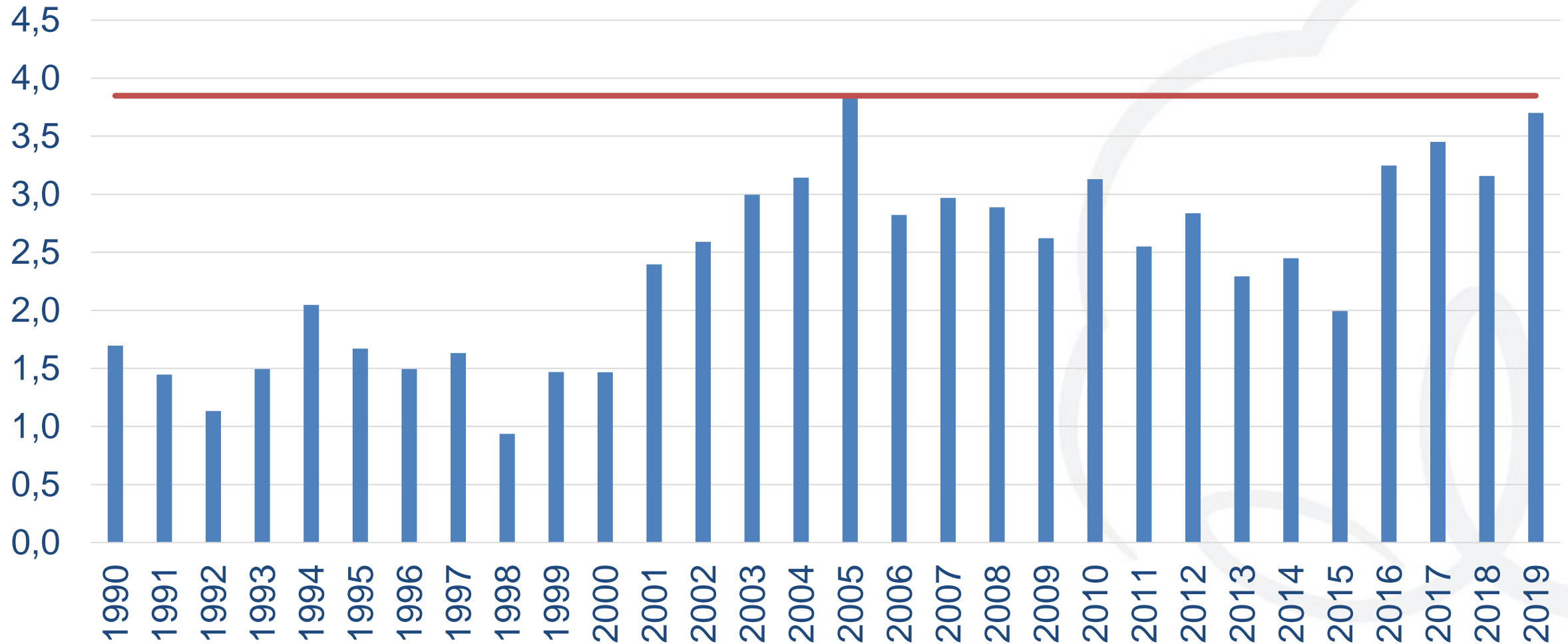
September 2019 USDA WASDE Estimates

# U.S. EXPORT CUSTOMERS

Thousand 480 Bales As of 9/05/19	19/20 Commitments	19/20 Share of Total
China	1,829	21%
Vietnam	1,678	19%
Mexico	829	9%
Indonesia	766	9%
Bangladesh	693	8%
Pakistan	552	6%
Turkey	484	6%
India	435	5%
Thailand	271	3%
South Korea	201	2%
All Others	997	12%
<b>Total</b>	<b>8,735</b>	<b>100%</b>

# U.S. COTTON EXPORTS

MILLION METRIC TONS

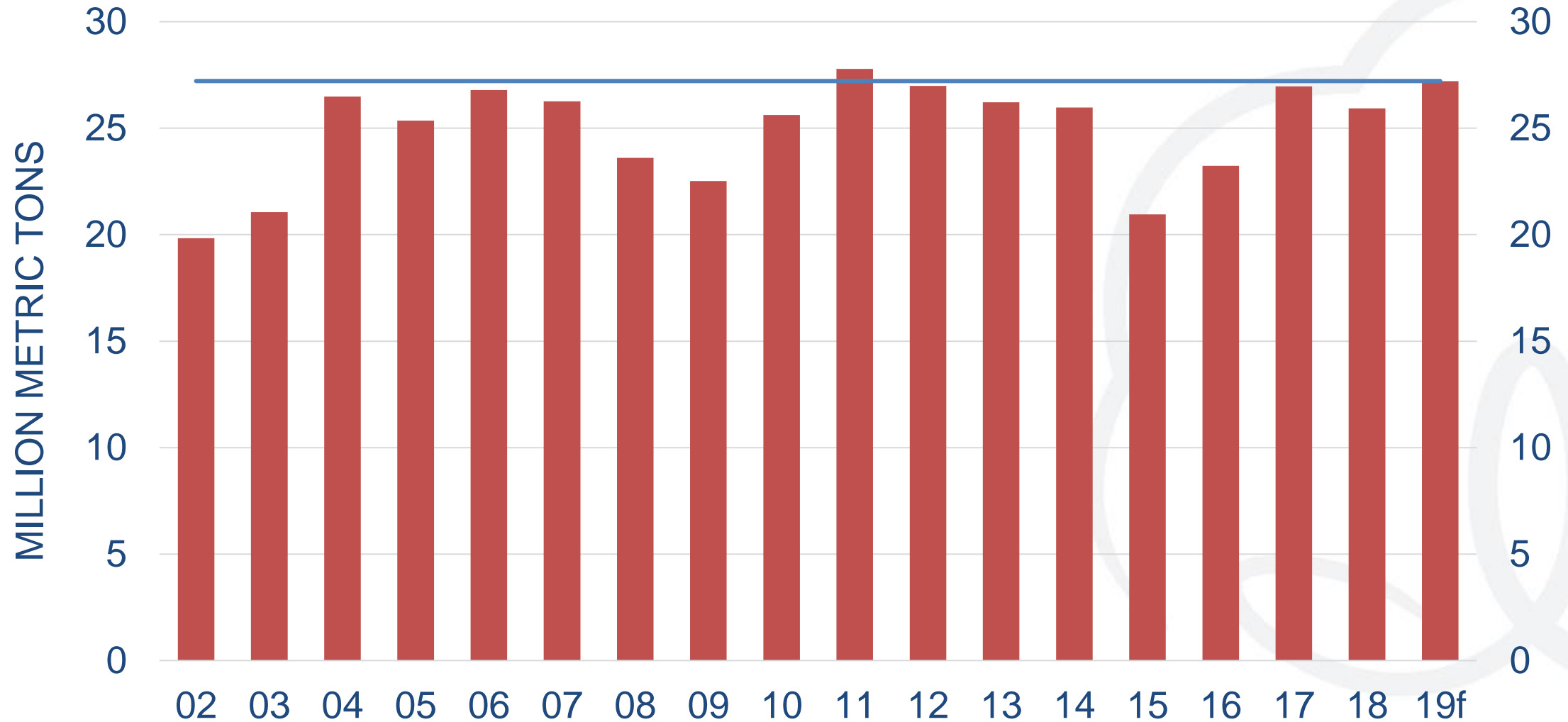




# WORLD PRODUCTION, SUPPLY & DEMAND



# WORLD COTTON PRODUCTION



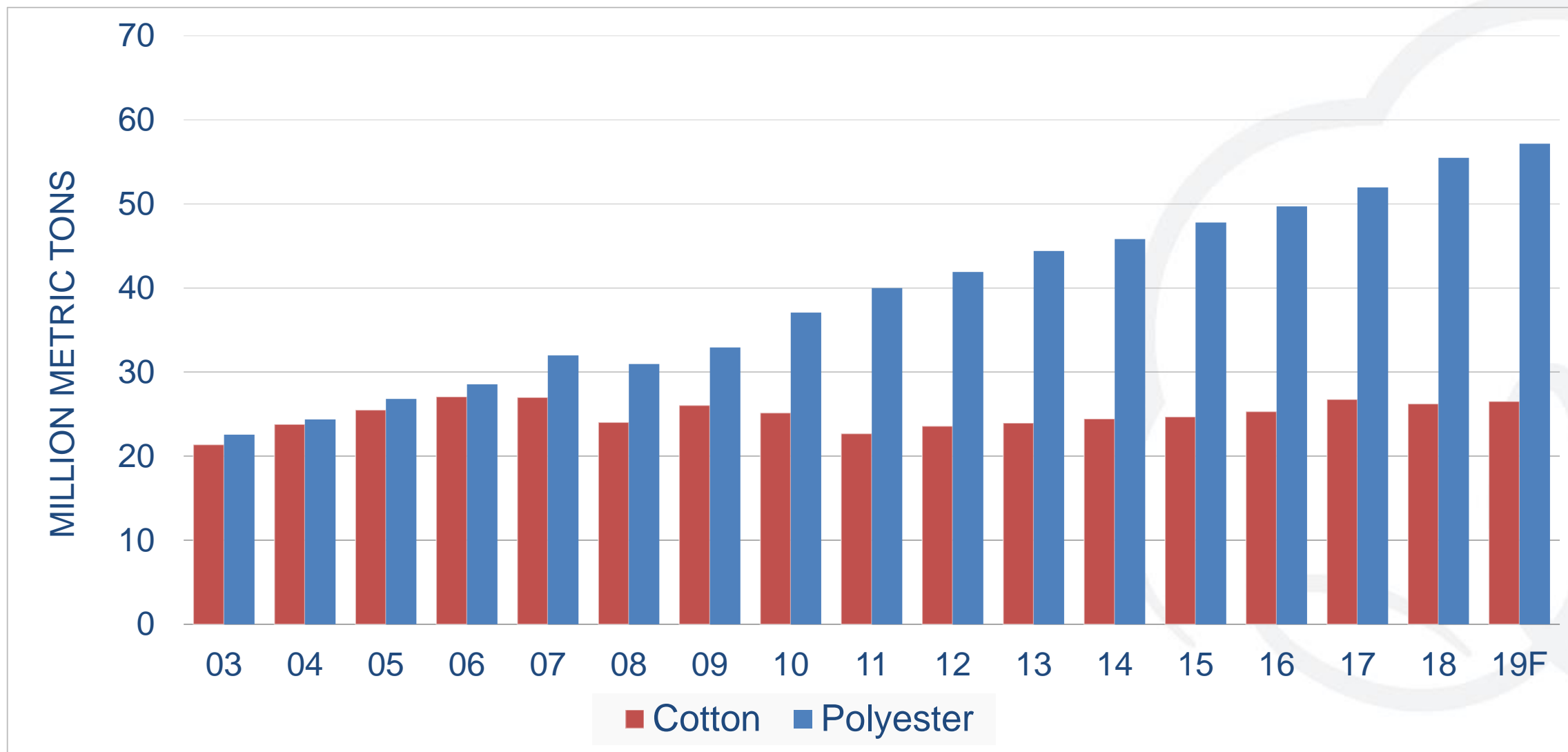
# AS CHINA'S STOCKS FALL, IMPORTS ARE SET TO INCREASE

- After years of destocking, China's reserves have reached a normal level.
- With a 12 million metric ton difference between production and mill use, China is projected to increase imports in order to meet the needs of their textile industry.
- USDA projects Chinese imports will increase to 2.2 million metric tons in the 2019/20 marketing year.

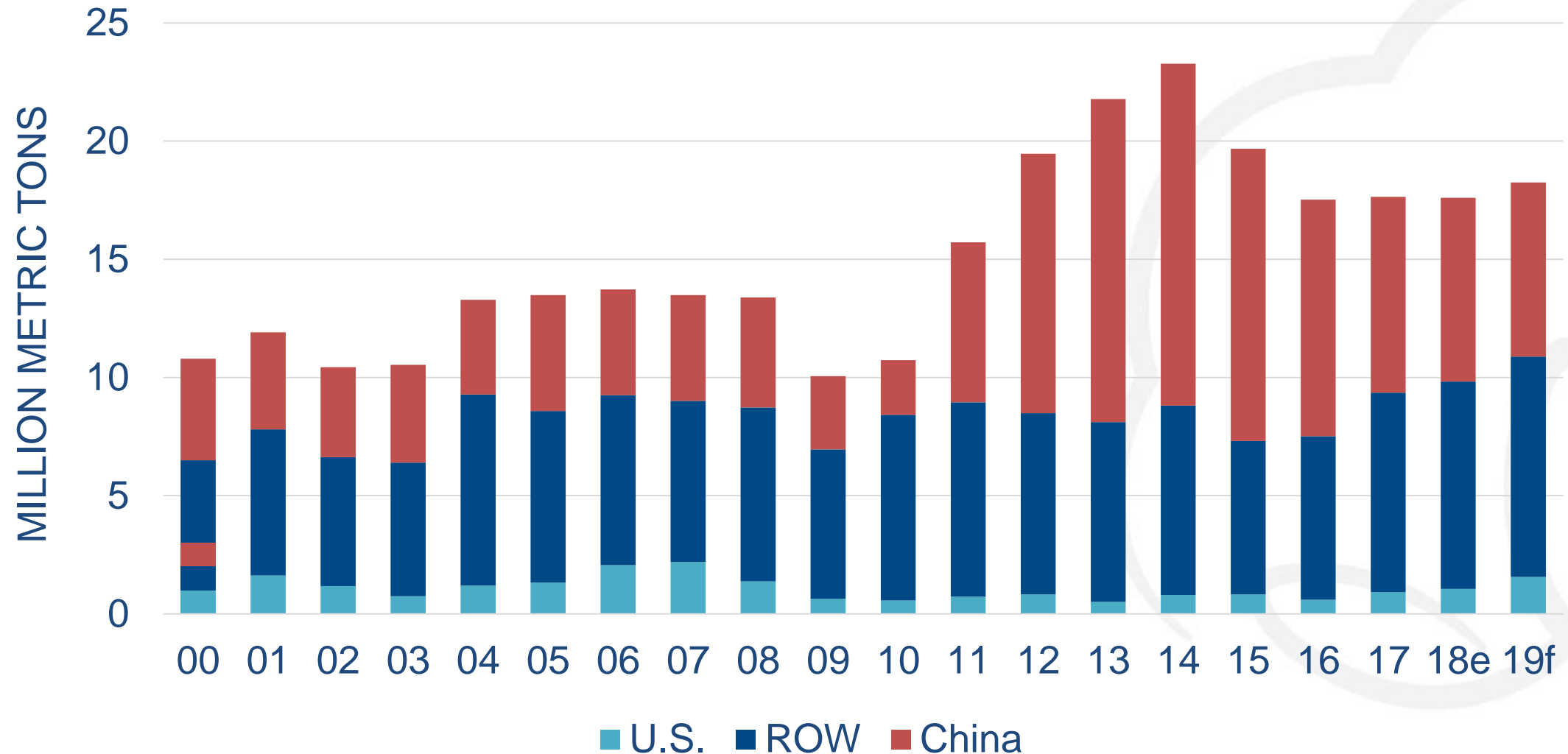
MILLION METRIC TONS

	17/18	18/19	19/20f
Production	6.0	6.1	6.1
Mill Use	8.9	8.6	8.6
Imports	1.2	2.1	2.2
Stocks	8.3	7.8	7.4
Stocks/Use	93%	90%	86%

# WORLD FIBER MILL USE



# WORLD COTTON ENDING STOCKS



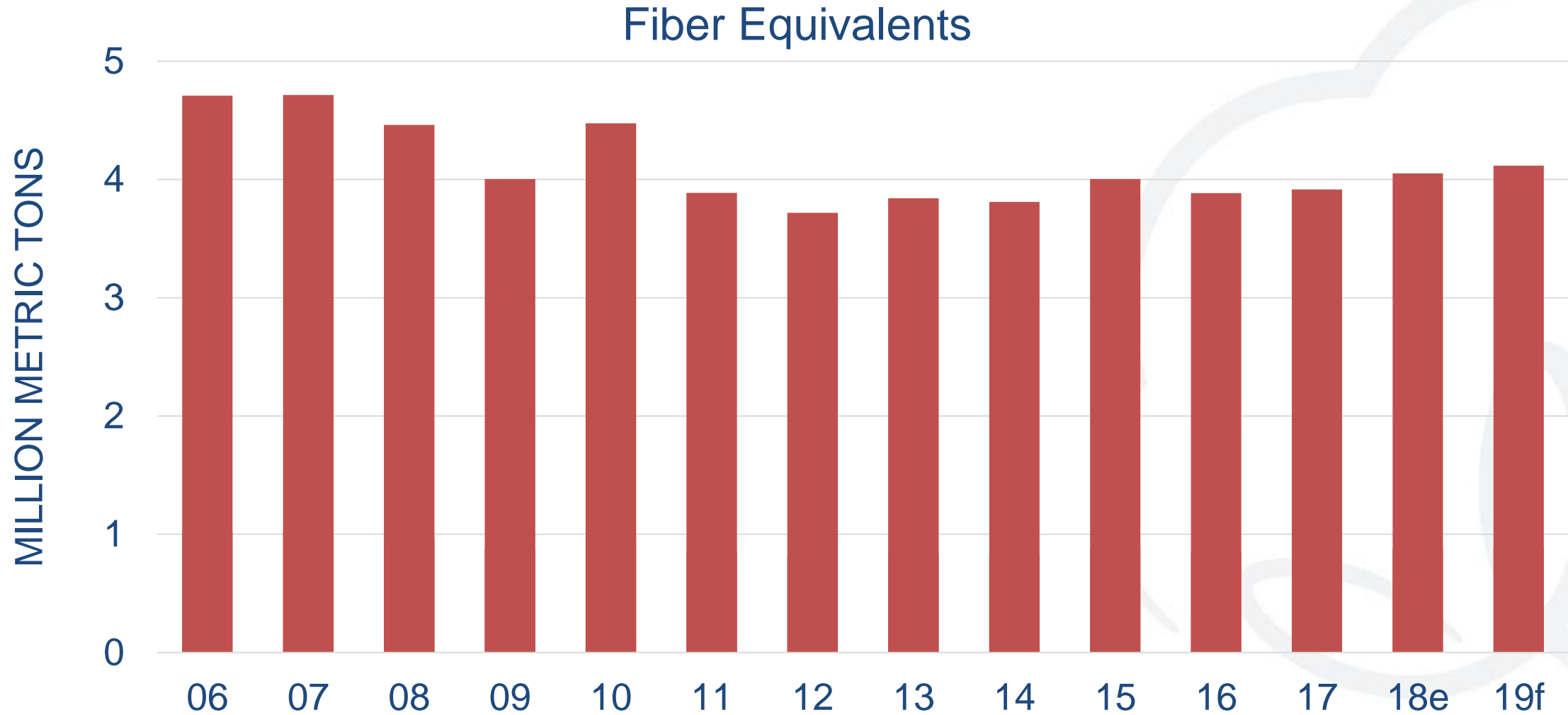


# WORLD SUPPLY AND DEMAND

MILLION METRIC TONS

	2018/19e	2019/20f	Change
Production	25.9	27.2	+1.3
Mill Use	26.2	26.5	+0.3
Trade	9.0	9.4	+0.5
Stocks	17.6	18.2	+0.6
China	7.8	7.4	-0.4
All Others	9.8	10.9	+1.1

# U.S. COTTON TEXTILE IMPORTS



# COTTON USA

THE COTTON  
THE WORLD TRUSTS





**THANK YOU!!**

**TM**

