

2004-2005 U.S. and World Cotton Situation and Outlook

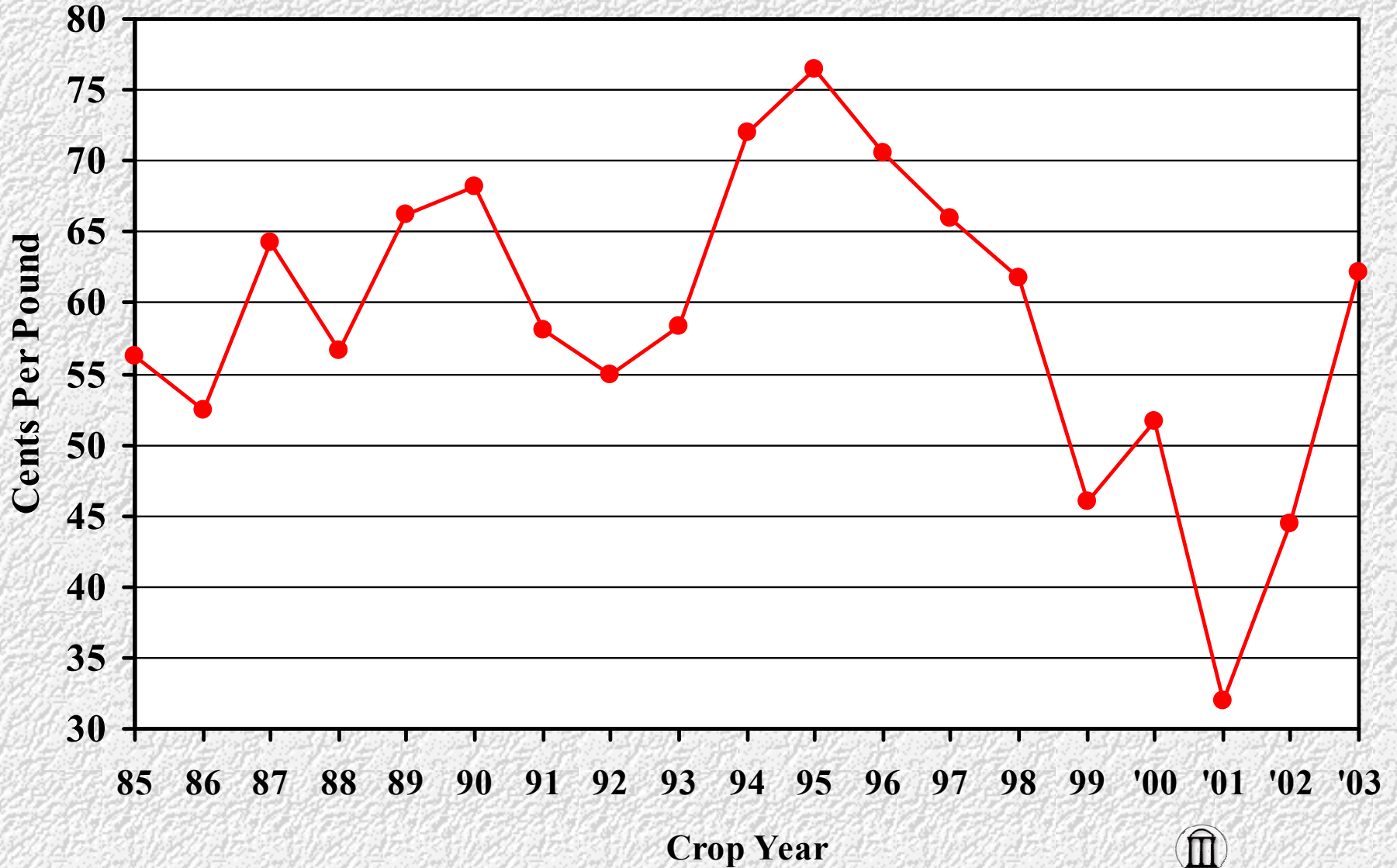


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US Average Price Received For Cotton 1985-2003

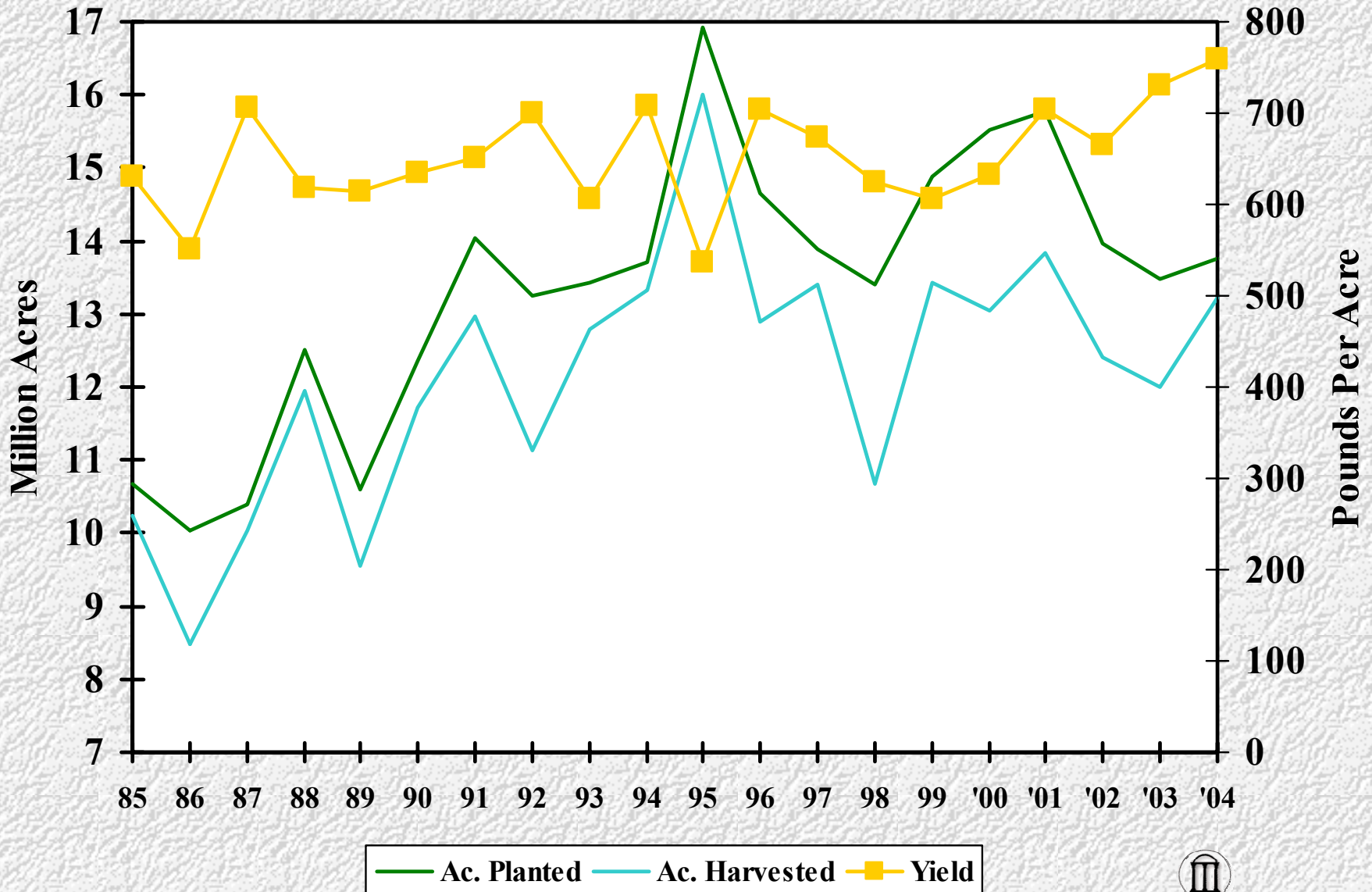




US Production and Demand Situation

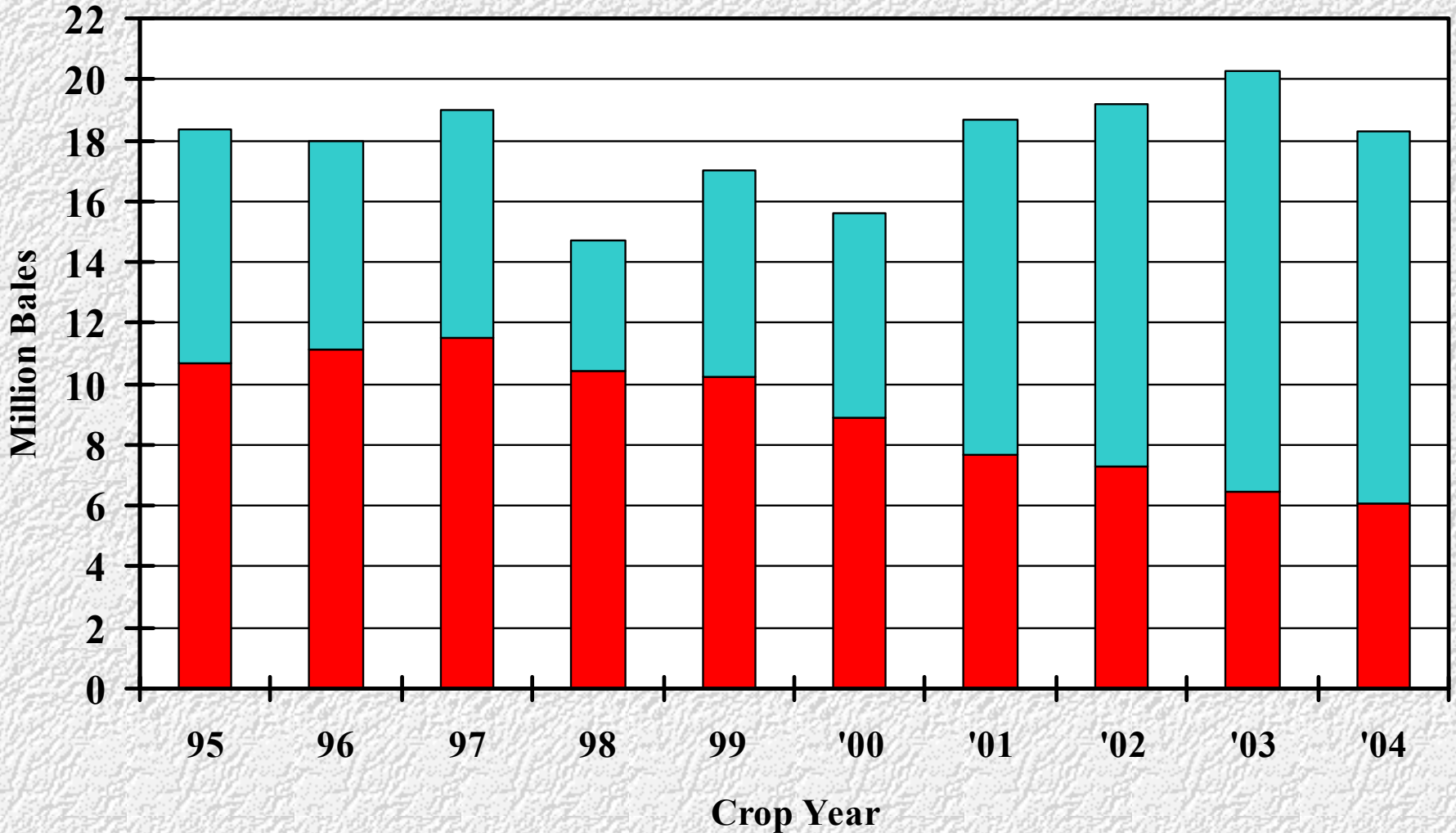


US Cotton Acres Planted, Harvested, and Average Yield -- 1985-2004



Total Demand For US Cotton, 10 Years 1995-2004

Increased Dependence On Exports

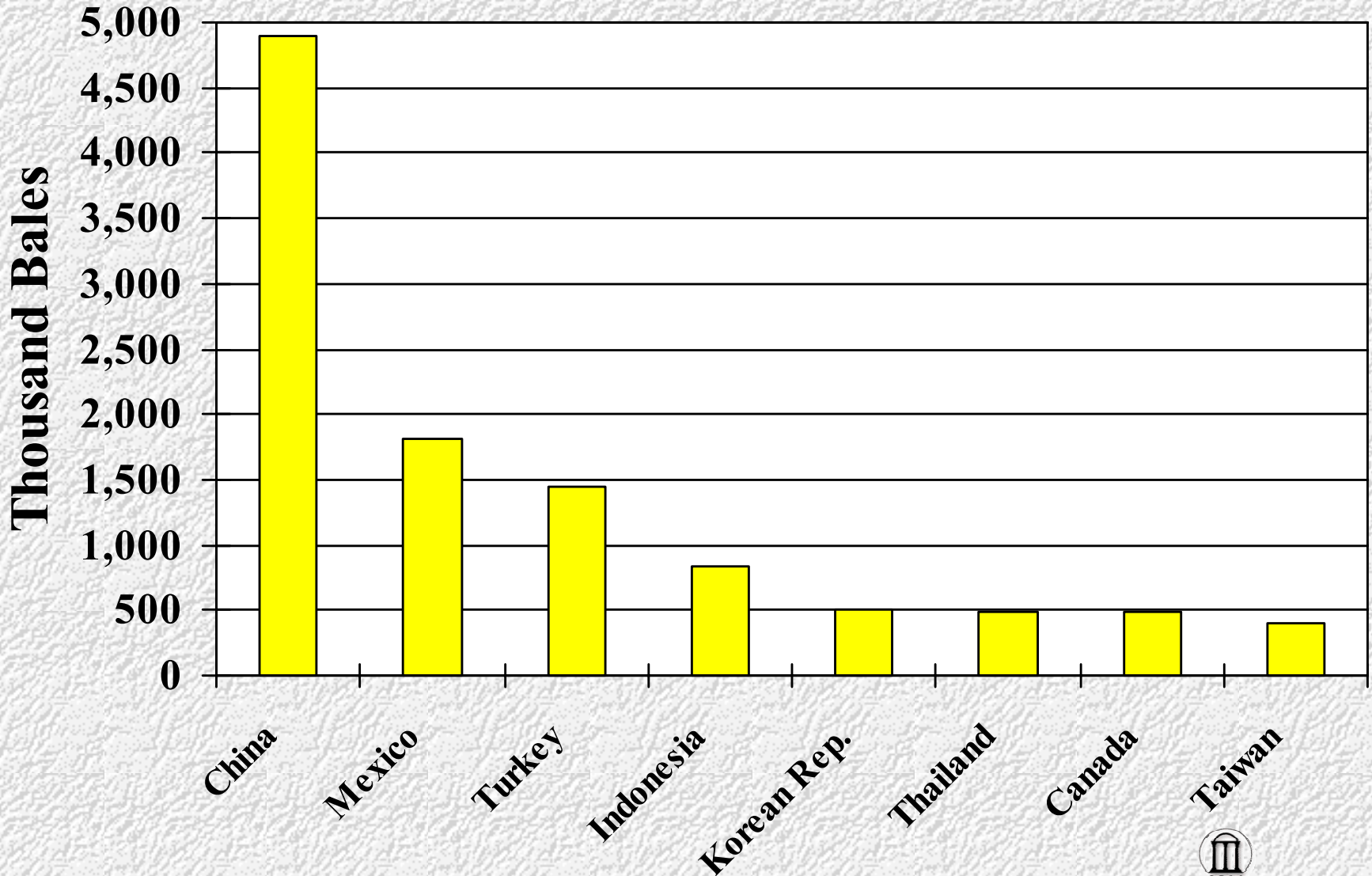


■ Mill Use ■ Exports

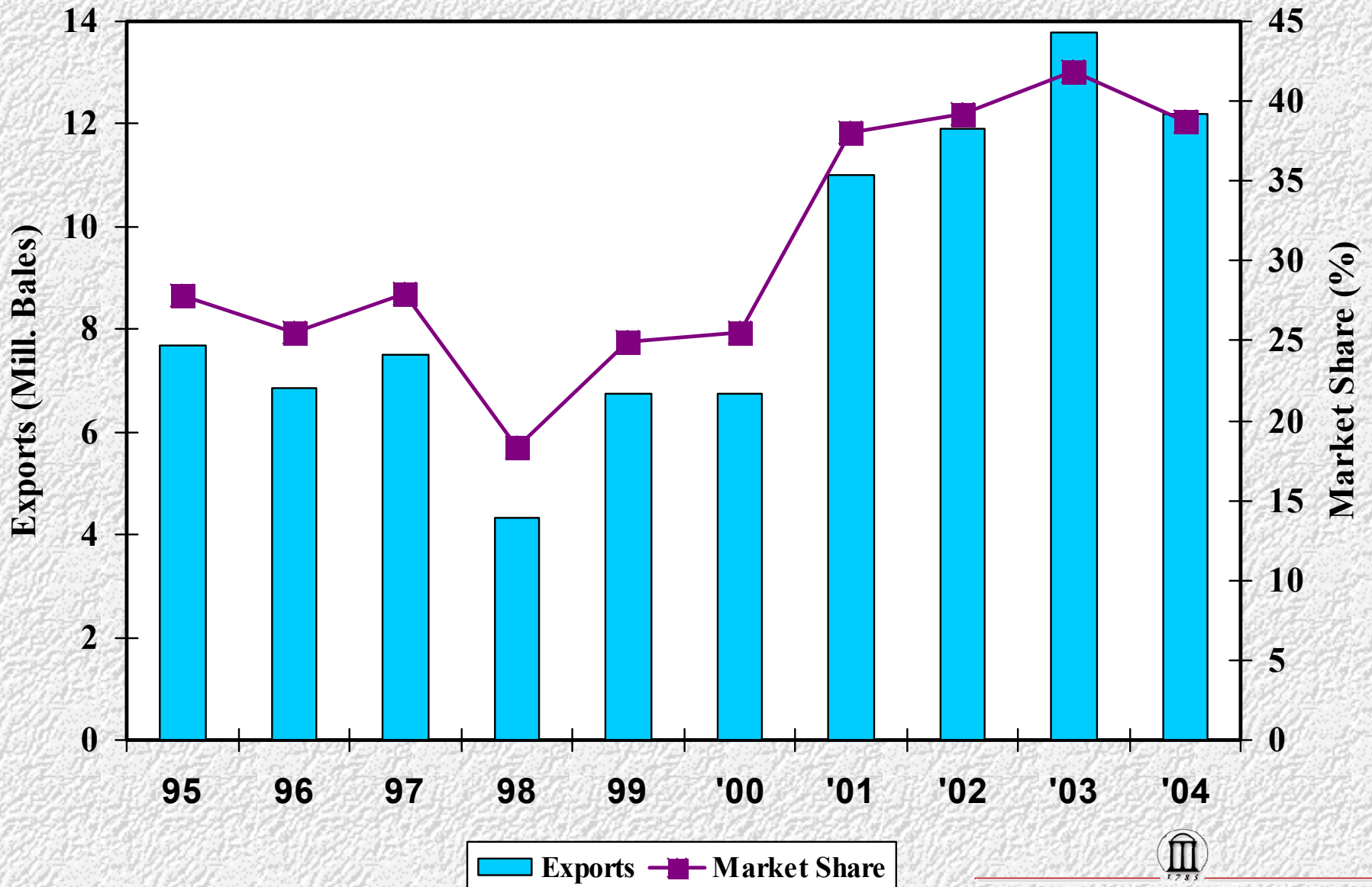




Top Destinations For 2003 US Cotton Account For 80% Of Market



US Cotton Exports and Share of World Trade 1995-2004

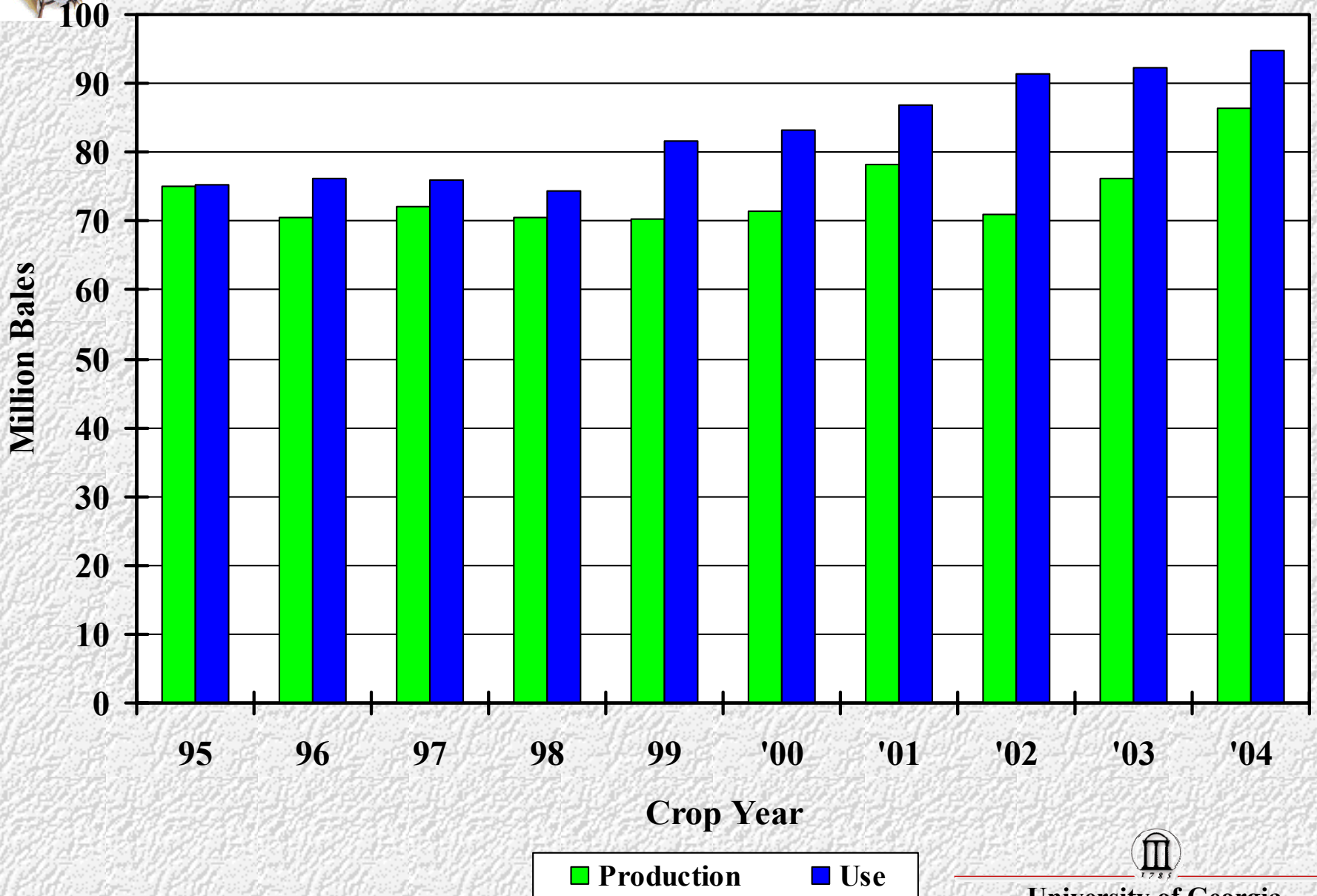




Foreign and World Situation



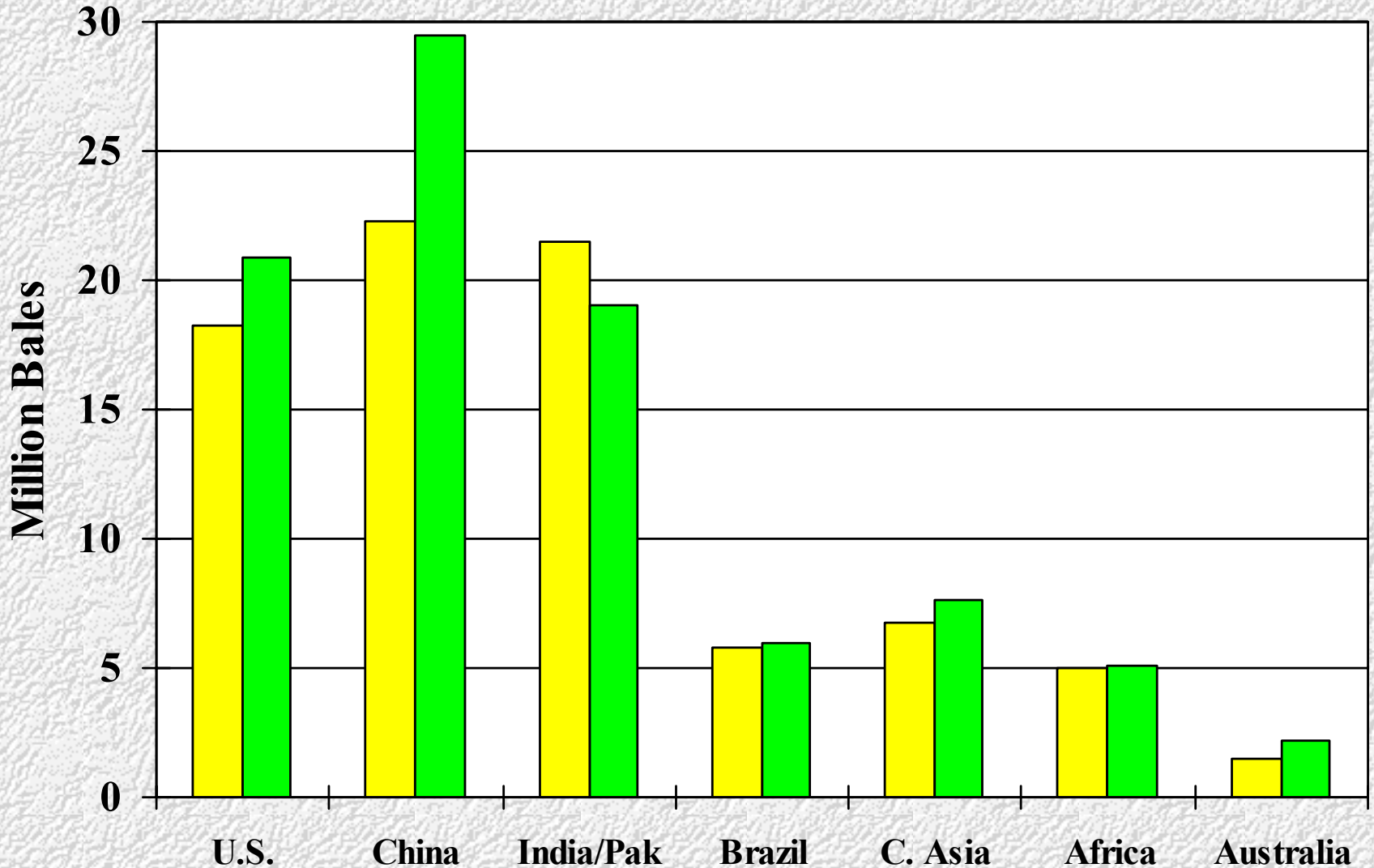
Foreign Production Compared To Mill Use





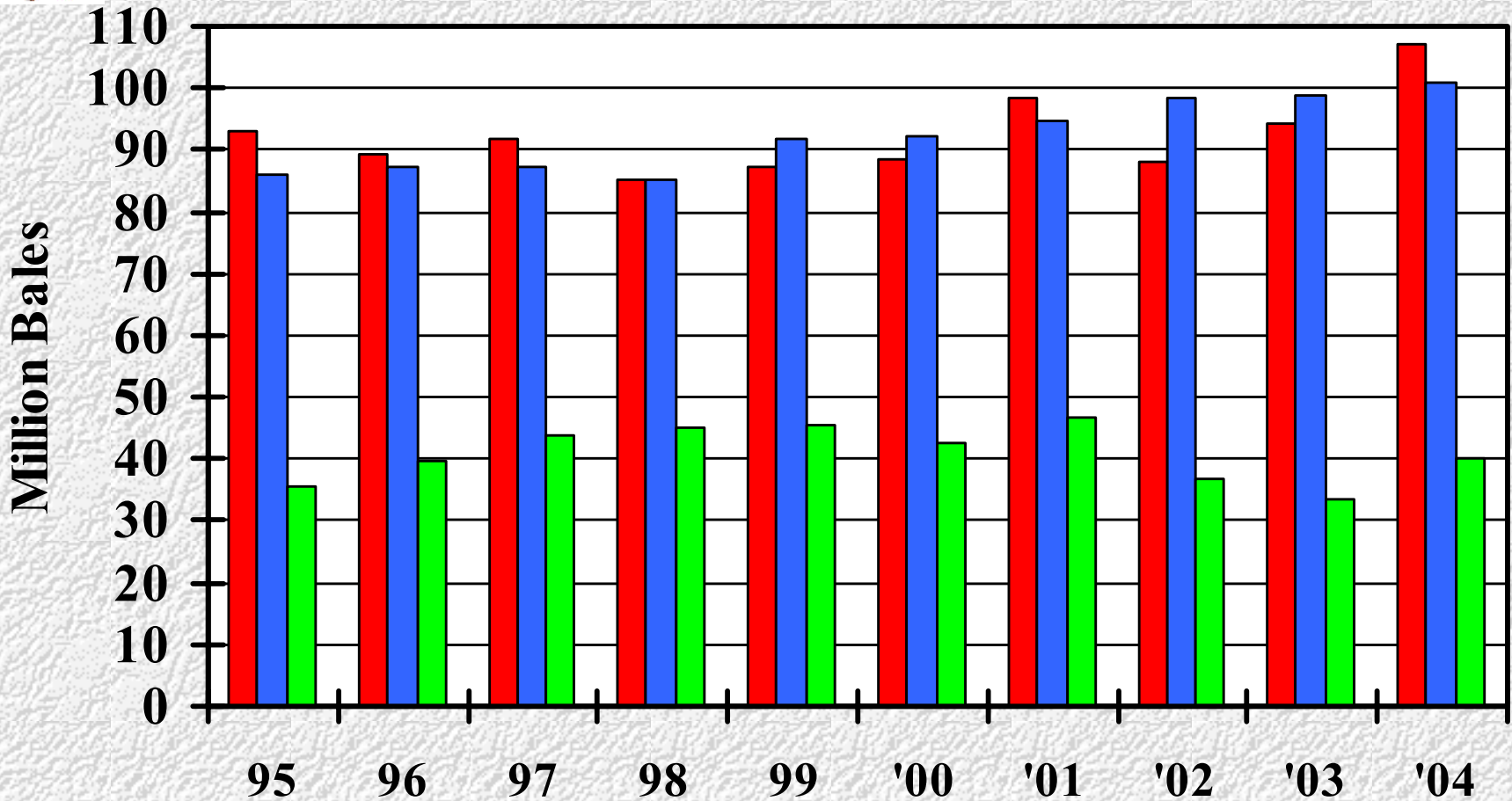
2003 and 2004 Cotton Production

Selected Countries or Regions (84% of World Total)





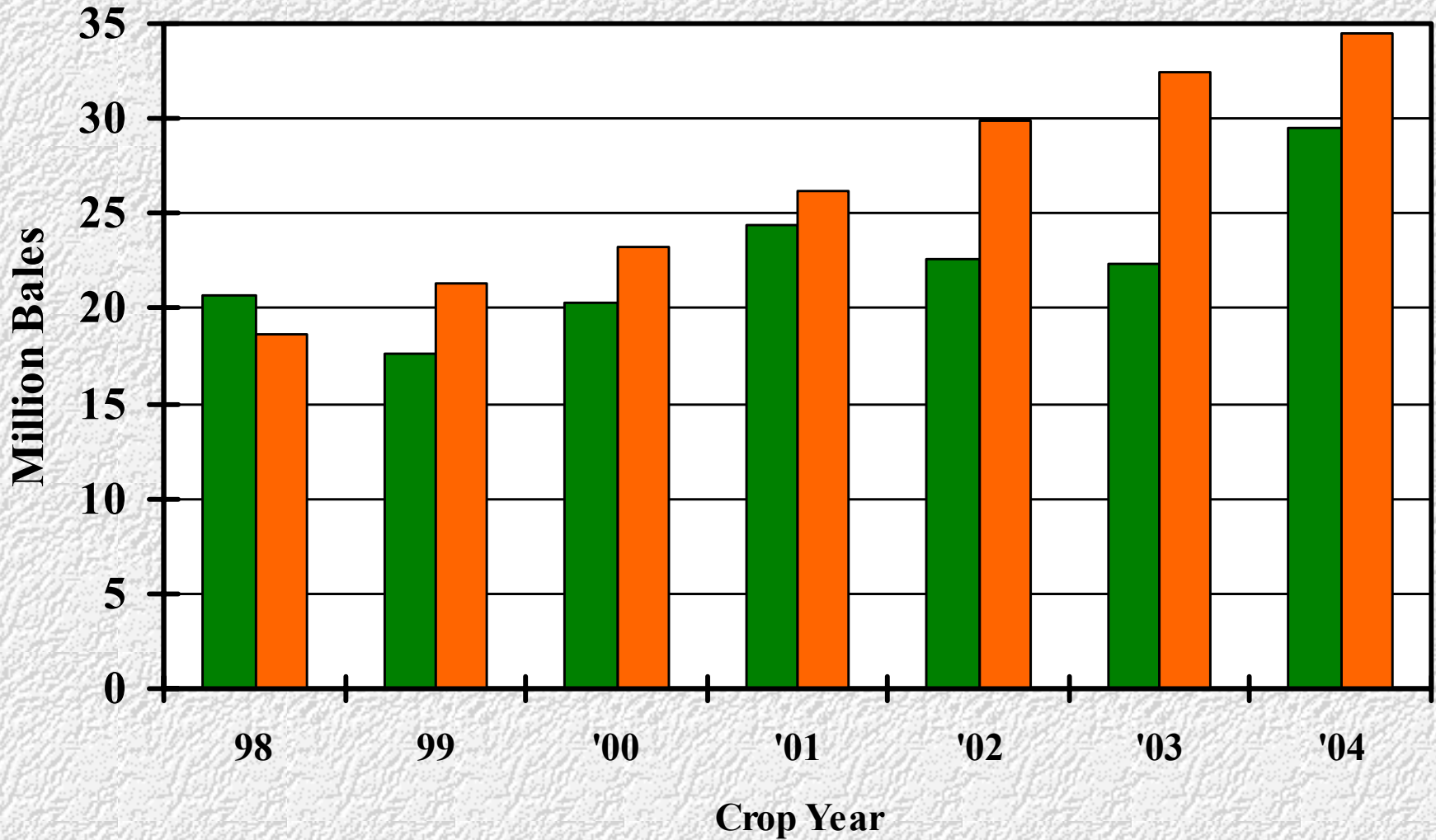
World Production, Consumption, Ending Stocks





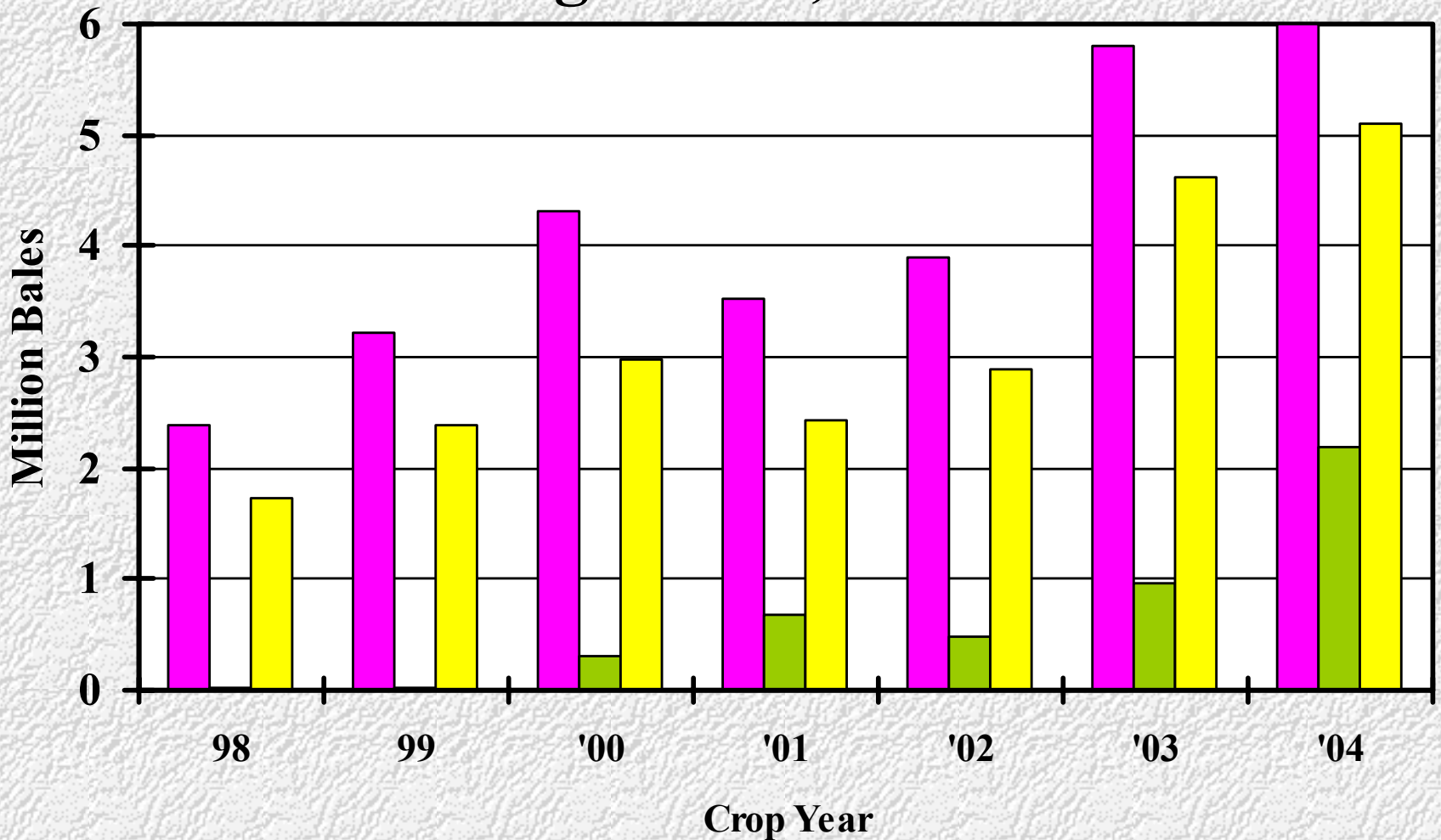
The China Factor

Can China Make 30+ Million Bales?





Brazil Production, Exports, and Ending Stocks, 1998-2004





Price Situation and Outlook

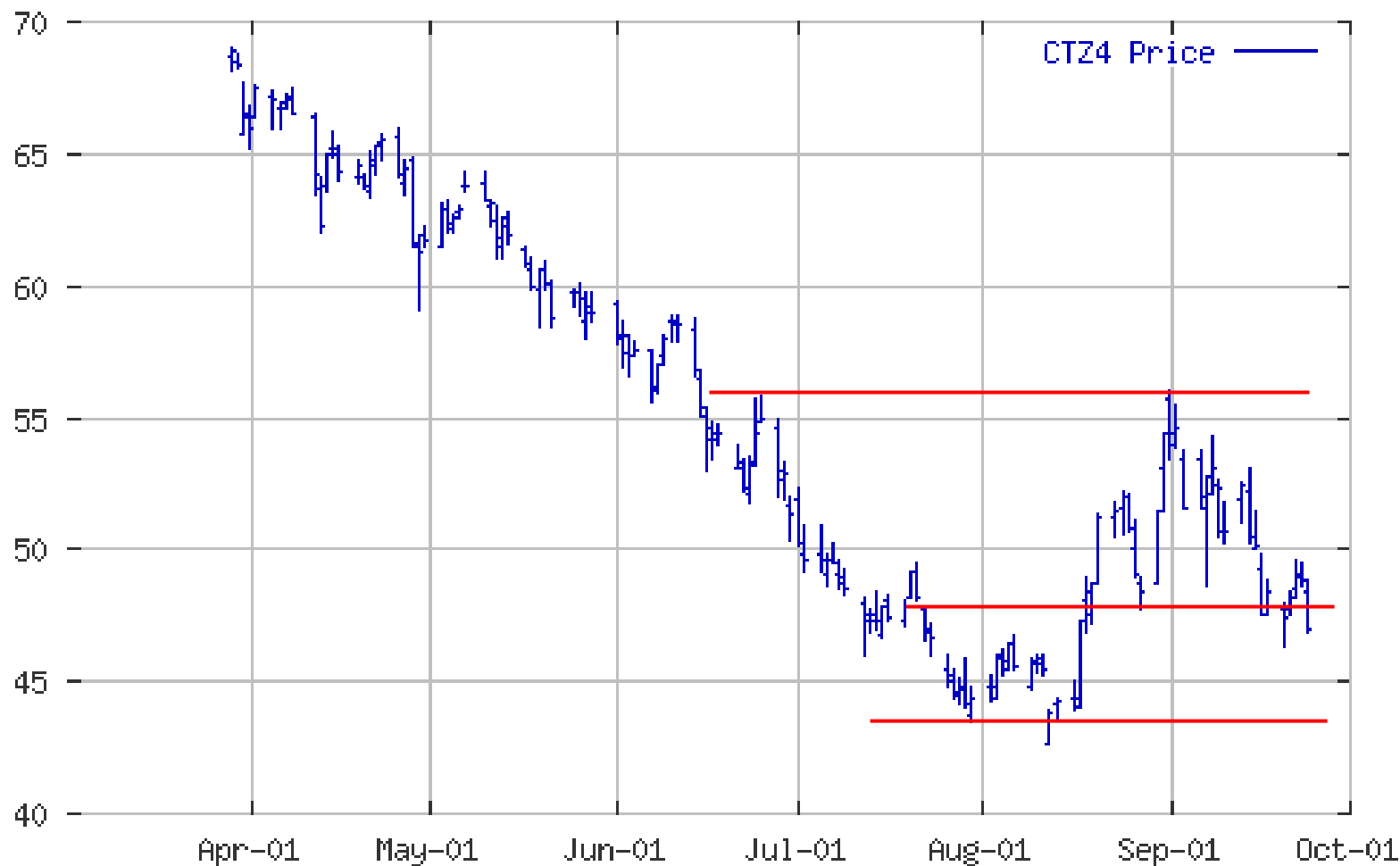


Dec Cotton – 55, 48, 40 ?

NYBOT:CTZ4 6 Month Daily

NYBOT Cotton Dec 2004

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March Cotton – 56, 51, 44, 40 ?

NYBOT:CTH5 6 Month Daily

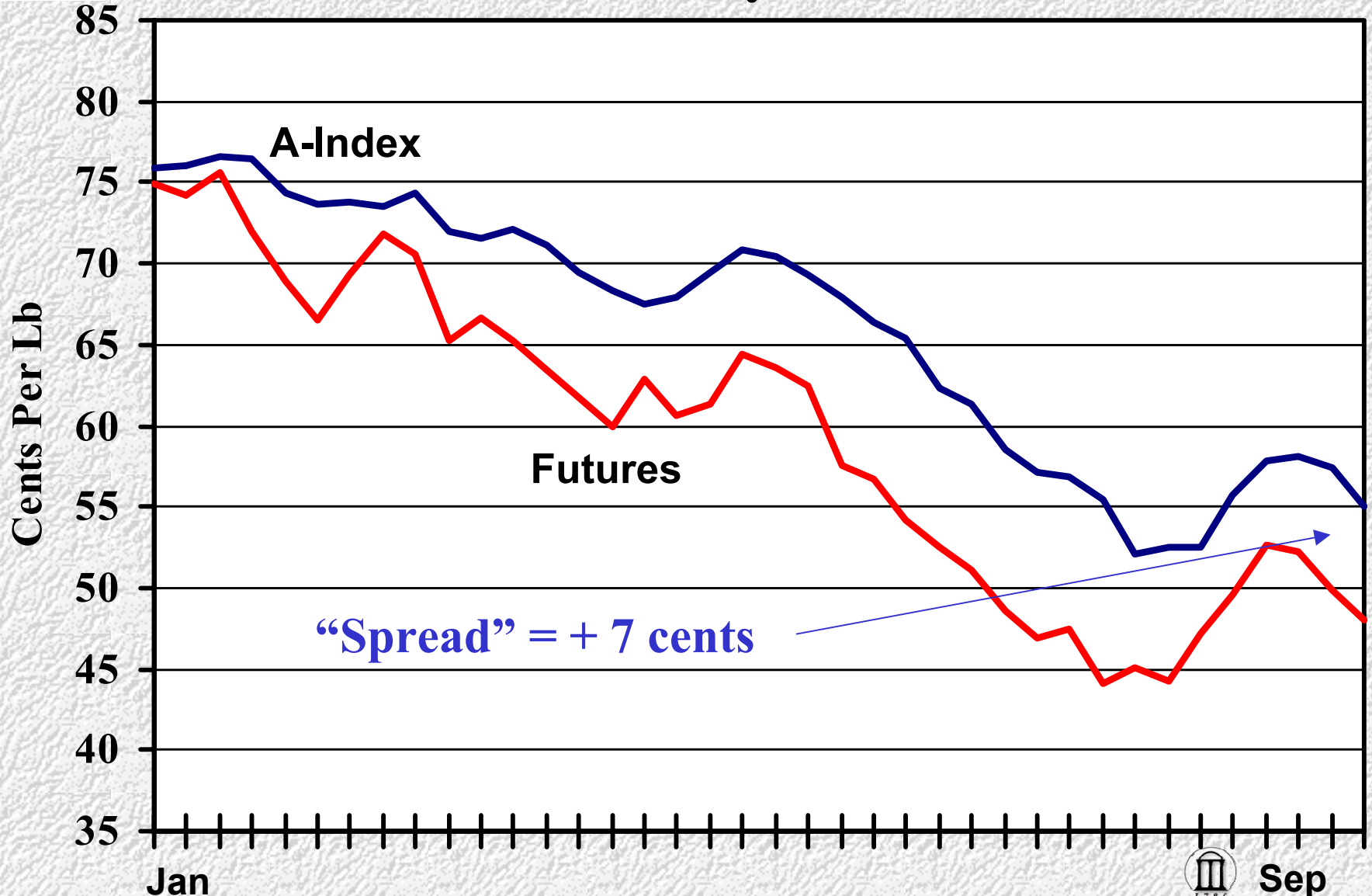
NYBOT Cotton Mar 2005

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2004 Weekly Average Northern Europe A-Index and Nearby US Futures Prices



Sep



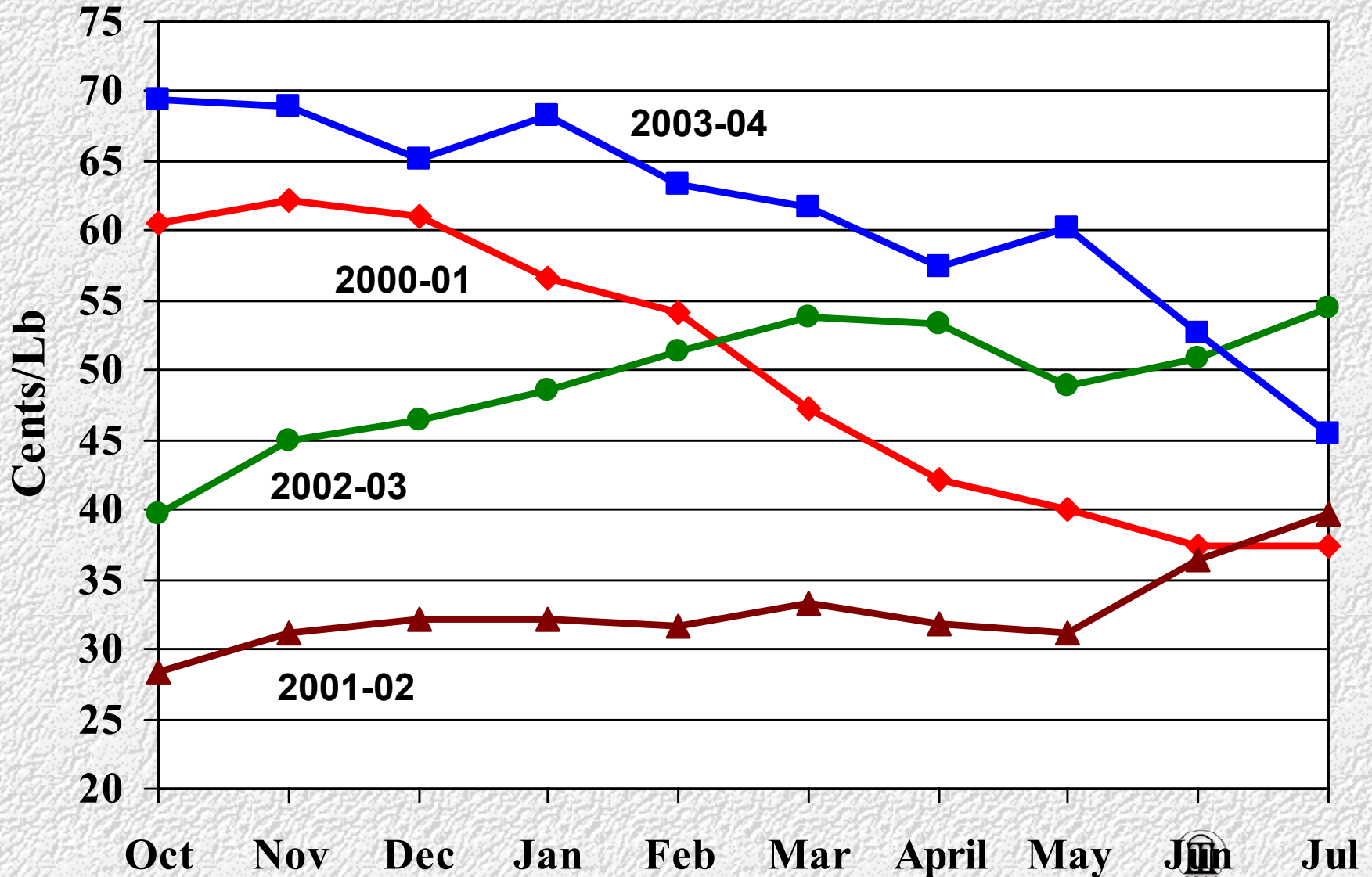
Current Price and Market Opportunity

Futures Price (Dec	4800	+700	A-Index	5500
Basis	-300		Adjustment	-1500
			AWP	4000
Cash Sell	4500		LDP (5200-AWP)	1200
TOTAL PRICE + LDP				5700



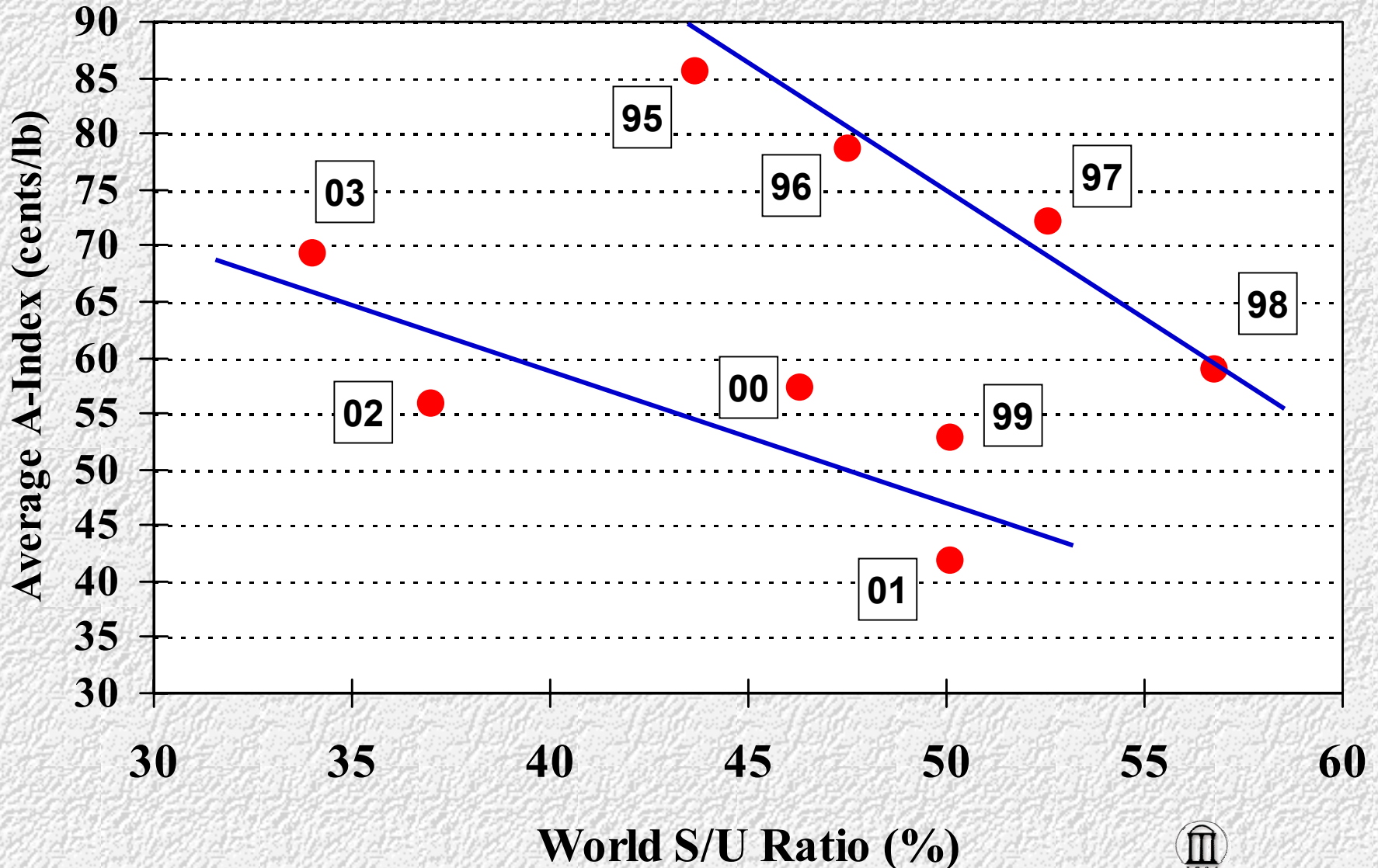


U.S. Monthly Average Price Received 41-4/34, October-July, 2000-2003 Crop Marketing Years





World Cotton Stocks-To-Use Ratio And World Cotton Price (A-Index) 1995-2003





Counter-Cyclical Payment (CCP)

2003 Crop

MYA price was 62.23 cents/lb

Final CCP = 3.50 cents

Producers received 2.01 cents 1st advance payment

Final payment of 1.49 cents

2004 Crop

1st Advance payment (35%) in October

Likely will be at the maximum amount of 4.81 cents





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Cotton Research and Extension