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# NEWS

April 15, 2009

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[www.supima.com](http://www.supima.com)

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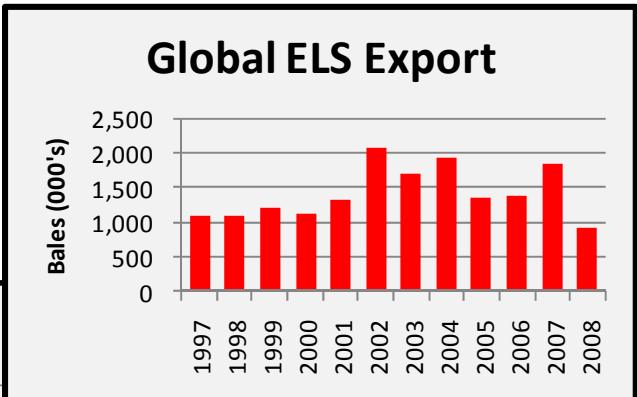
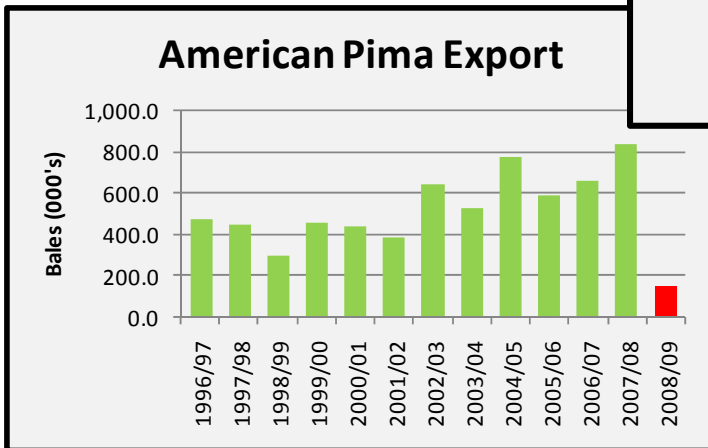
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## American Pima And Global ELS Exports

In the 2007/08 crop year the United States exported 832,500 bales of American Pima cotton. That was a new export record that exceeded the previous export record of 768,100 bales set in the 2004/05 crop year.

The table below details the American Pima export shipments over the last twelve years (in green) and the current cumulated export sales total for the 2008/09 crop year to date (in red).



The 2008/09 crop year is painting a vastly different picture in terms of export sales. So far, as of the [April 16 report](#), for sales reported through April 9, only 139,400 bales of American Pima have been reported sold for export. With only fifteen weeks left in the 2008/09 crop year, total American Pima exports are expected to fall considerably short of the previous year's figures.

**Continued on Page 3 ...**

## Supima's New Email Newsletters

Supima's email newsletters—yes, there are two—continue to evolve and maximize content to bring you the best information in the timeliest format.

The image of the newsletter to the right shows the current version. One newsletter entitled "The Supima Newsletter", provides information on Supima® products and promotional activities along with special features. The other newsletter entitled "Supima Industry Newsletter" will provide production, demand and supply information along with other pertinent news such as recent market activity.

Make sure to sign-up for our email newsletters at <http://bit.ly/8fZMs> to stay current with all the Supima news and receive special updates or announcements as they are released.

**Sign-up Today!**



# American Pima Schedule Of Loan Rates Announced

Last year, the release of the 2008/09 American Pima loan schedule was delayed until June as a result of delays in passing the new Farm Bill legislation. This year the rates were announced on schedule. The official full details of the new loan schedule can be found on the price support program page of the United States Department of Agriculture

(USDA) - Farm Service Agency (FSA): <http://bit.ly/hCz67>.

The new schedule reflects another overall decrease in the adjusted national loan average from 80.75 cents per pound last year, to 80.72 cents per pound this year. The 80.72 usc/lb is arrived at by taking the national American Pima base loan rate of 79.77

usc/lb and then adding a strength premium of 0.66 usc/lb (down 0.06 usc/lb from last year), and a micronaire premium of 0.29 usc/lb (up 0.03 usc/lb from last year), based on the average crop values attained during the 2008/09 crop year.

## 2009 ELS (AMERICAN PIMA) COTTON PREMIUMS AND DISCOUNTS

### 2009 ELS Cotton Extraneous Matter

|                                    | Discounts |         |
|------------------------------------|-----------|---------|
|                                    | Level 1   | Level 2 |
| Preparation                        | -610      | -895    |
| Grass, Spindle Twist, Bark & Other | -515      | -835    |

### Micronaire Differences for Eligible Qualities 2009 ELS Cotton

| Micronaire Reading | Points/lb. |
|--------------------|------------|
| 3.5 & Above        | 0          |
| 3.3 - 3.4          | -390       |
| 3.0 - 3.2          | -550       |
| 2.7 - 2.9          | -945       |
| 2.6 & Below        | -1355      |

### 2009-Crop ELS Strength

| Strength Reading (g/tex) | Discount (pts./lb) |
|--------------------------|--------------------|
| 37.5 and above           | 0                  |
| 36.5-37.4                | -550               |
| 35.5-36.4                | -800               |
| 35.4 and below           | -1050              |

### 2009-CROP EXTRA LONG STAPLE "ELS" (AMERICAN PIMA) COTTON

Schedule of Loan Rates for Eligible Qualities

2009-Crop ELS Cotton Stored in Approved Warehouses in all Locations.

2009 Loan

(Cents per pound, net weight, micronaire 3.5 & above and strength of 37.5 and above 1)

| Grade and Leaf | Staple        |                      |                        |
|----------------|---------------|----------------------|------------------------|
|                | 1-3/8<br>(44) | 1-7/16<br>(46)       | 1-1/2<br>(48 & Longer) |
|                | 2009 Loan     | 2009 Loan            | 2009 Loan              |
| Grade          |               |                      |                        |
| 1              | 80.35         | 83.75                | 83.95                  |
| 2              | 79.70         | 83.10                | 83.60                  |
| 3              | 69.10         | 72.50                | 75.85                  |
| 4              | 49.05         | 52.75                | 52.75                  |
| 5              | 42.10         | 42.95                | 42.95                  |
| 6              | 34.50         | 34.65                | 34.65                  |
| Below 6        | 30.00         | 30.00                | 30.00                  |
|                | Leaf          | Leaf Dis.<br>(ct/lb) | Colors                 |
|                | 1             | 0.00                 | All                    |
|                | 2             | 0.00                 | All                    |
|                | 3             | -3.45                | 1-3                    |
|                | 4             | -3.60                | 1-3                    |
|                | 5             | -3.70                | 1-4                    |
|                | 6             | -3.80                | 1-5                    |
|                | 7             | -3.80                | 1-6                    |

1/ A micronaire premium of 29 points (0.29 cents) per pound is reflected in the loan rates for the eligible qualities. Also, a strength premium of 66 points (0.66 cents) per pound is reflected in the loan rates for the eligible qualities. The adjusted national average loan rate reflected in the above schedule is 80.72 cents per pound. Cotton with micronaire readings below 3.5 and strength below 37.5 will be subject to the discounts in the schedules of micronaire and strength differences for ELS cotton.

## AMERICAN PIMA SUPPLY/USE ESTIMATE

|                      | 2004/05    | 2005/06    | 2006/07    | 2007/08    | 2008/09 *  |
|----------------------|------------|------------|------------|------------|------------|
| Beginning Stocks     | 66         | 13         | 78         | 141        | 139        |
| Production           | 746        | 630        | 765        | 852        | 430        |
| Imports              | 21         | 19         | 9          | 6          | 2          |
| <b>Total Supply</b>  | <b>833</b> | <b>662</b> | <b>852</b> | <b>999</b> | <b>571</b> |
| Domestic Use         | 62         | 51         | 39         | 36         | 30         |
| Exports              | 753        | 520        | 672        | 833        | 275        |
| <b>Total Use</b>     | <b>815</b> | <b>571</b> | <b>711</b> | <b>869</b> | <b>305</b> |
| Unaccounted Stocks   | -5         | -13        | 0          | 9          | -10        |
| <b>Ending Stocks</b> | <b>13</b>  | <b>78</b>  | <b>141</b> | <b>139</b> | <b>256</b> |
| Stocks to Use Ratio  | 1.6%       | 13.7%      | 19.8%      | 16.0%      | 83.9%      |

Released April 9, 2009 by the USDA World Agricultural Outlook Board (WAOB).  
Listed in thousand 480-lb. bales

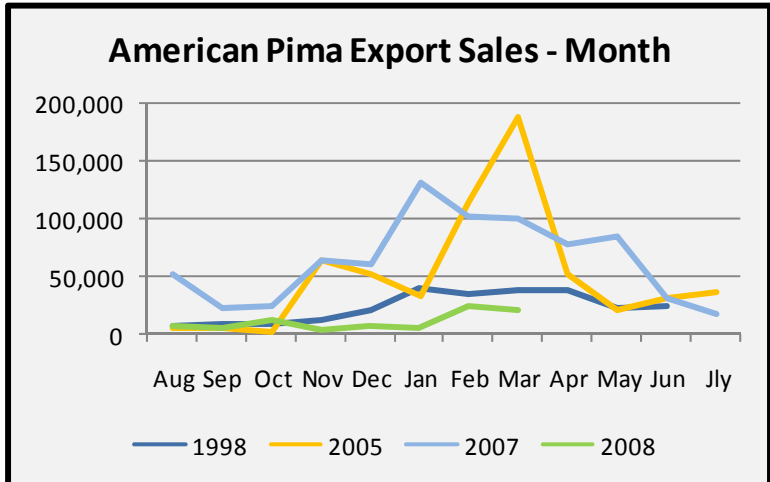
## American Pima And Global ELS Exports ... continued

Export estimates of the [first report](#), at the start of the 2008/09 crop year, forecasted export shipments of American Pima to continue strong with exports expected to be about 550,000 bales. The most recent [report](#) has lowered the estimated export figure to 275,000 bales, as noted on the table on the bottom of page 2.

Similarly, global ELS exports have also fallen considerably. The most recent International Cotton Advisory Committee (ICAC) forecast from February, anticipates that global ELS exports will only amount to 912,000 bales. This is less than half of the 1,838,000 bales from the previous year. This would also be the lowest figure since the 1995/96 crop year when global exports only totaled 731,000 bales.

Looking at the American Pima crop exports more closely, there are only two years in recent history that had relatively slow starts for export sales. Those were the 1998/99 and 2005/06 crop years. In the chart and table to the right, those year's are included along with the record 2007/08 crop year and the current figures for the 2008/09 crop

year. Both the 1998/99 and the 2005/06 crop years only had slow starts for the first few months before sales started to pick-up. The current year has languished during this economic downturn and has only recently seen increases in sales during the last two months.



| Year | Aug    | Sep    | Oct    | Nov     | Dec     | Jan     | Feb     | Mar     | Apr    | May     | Jun     | Jly    |
|------|--------|--------|--------|---------|---------|---------|---------|---------|--------|---------|---------|--------|
| 1998 | 7,100  | 8,200  | 9,200  | 11,600  | 21,000  | 39,900  | 34,700  | 38,000  | 37,600 | 22,700  | 24,000  | 21,400 |
| 1999 | 13,900 | 15,500 | 6,100  | 19,000  | 36,500  | 38,700  | 37,800  | 57,000  | 45,600 | 48,500  | 62,800  | 43,100 |
| 2000 | 35,400 | 20,200 | 29,000 | 32,200  | 51,500  | 36,300  | 40,800  | 68,900  | 29,500 | 33,200  | 23,700  | 13,400 |
| 2001 | 15,300 | 17,700 | 6,900  | 34,800  | 31,700  | 47,500  | 54,300  | 26,800  | 32,400 | 59,200  | 21,200  | 26,700 |
| 2002 | 17,800 | 20,800 | 16,900 | 48,700  | 72,300  | 117,500 | 69,400  | 79,800  | 85,200 | 45,500  | 23,600  | 23,400 |
| 2003 | 16,800 | 22,400 | 32,000 | 113,700 | 133,400 | 42,800  | 13,100  | 20,400  | 13,800 | 39,700  | 43,500  | 29,300 |
| 2004 | 24,900 | 4,400  | 37,800 | 89,800  | 134,900 | 160,800 | 111,800 | 165,500 | 33,000 | 9,200   | 11,300  | 1,600  |
| 2005 | 6,300  | 5,300  | 2,500  | 65,200  | 52,100  | 32,900  | 115,100 | 188,400 | 52,400 | 21,300  | 32,000  | 36,600 |
| 2006 | 24,700 | 14,900 | 40,900 | 39,600  | 52,600  | 65,700  | 67,400  | 127,100 | 92,100 | 161,900 | -40,800 | 43,200 |
| 2007 | 52,300 | 22,600 | 24,300 | 64,800  | 61,200  | 131,500 | 102,100 | 99,800  | 78,100 | 84,600  | 31,600  | 17,800 |
| 2008 | 7,400  | 6,500  | 12,600 | 4,300   | 7,100   | 5,800   | 23,600  | 20,500  |        |         |         |        |

## Important Web Links—American Pima Crop Information

USDA—AMS Pima Spot Price (Daily):

[http://www.ams.usda.gov/mnreports/MP\\_CN011.txt](http://www.ams.usda.gov/mnreports/MP_CN011.txt)

U.S. ELS Competitiveness Payment Report (Weekly):

[http://www.fsa.usda.gov/FSA/webapp?area=home&subject=e\\_cpa&topic=fta-el](http://www.fsa.usda.gov/FSA/webapp?area=home&subject=e_cpa&topic=fta-el)

USDA—NASS U.S. Production Estimates (Monthly):

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInFo.do?documentID=1046>

USDA—FAS Export Sales Report (Weekly):

<http://www.fas.usda.gov/export-sales/cottfax.htm>

USDA—NASS Cotton Reports:

<http://www.usda.gov/nass/pubs/estindx1.htm#cotton>

### USDA CLASSING INFORMATION

By Classing Office: [http://www.ams.usda.gov/mnreports/MP\\_CN104.txt](http://www.ams.usda.gov/mnreports/MP_CN104.txt)

By State: [http://www.ams.usda.gov/mnreports/MP\\_CN110.txt](http://www.ams.usda.gov/mnreports/MP_CN110.txt)

## AMERICAN PIMA SPOT QUOTATIONS

| Staple | Color and Leaf Grade |             |                |             |             |             |
|--------|----------------------|-------------|----------------|-------------|-------------|-------------|
|        | 01-1                 | 02-2        | 03-3           | 04-4        | 05-5        | 06-6        |
| 48     | 116.25               | 116.75      | 104.00         | 78.00       | 63.50       | 51.25       |
| 46     | 116.00               | 115.50      | 102.00         | 78.00       | 63.50       | 51.25       |
| 44     | 111.00               | 110.00      | 97.00          | 72.50       | 62.25       | 51.00       |
|        | Mike Range           | Differences | Strength Range | Differences | Ext. Matter | Differences |
|        | 2.6 & Below          | -1350       | 35.4 & Below   | -1050       | Prep 1:     | -610        |
|        | 2.7-2.9              | -945        | 35.5—36.4      | -800        | Prep 2:     | -895        |
|        | 3.0-3.2              | -550        | 36.5—37.4      | -550        | Prep 3:     | -515        |
|        | 3.3-3.4              | -395        | 37.5 & Above   | 0           | Prep 4:     | -835        |

USDA daily report, April 15, 2009 (2008/09 crop)

Net weights in mixed lots, uncompressed, UD Free, FOB warehouse

## AMERICAN PIMA EXPORTS

|                        | 2001/02      | 2002/03      | 2003/04      | 2004/05      | 2005/06      | 2006/07      | 2007/08      | 2008/09 *    |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Belgium                | 12.6         | 7.8          | 8.2          | 14.5         | 7.1          | 4.6          | 6.3          | 0.2          |
| Germany                | 17.8         | 31.6         | 18.0         | 5.7          | 18.3         | 20.4         | 16.8         | 14.1         |
| Italy                  | 28.7         | 34.0         | 16.6         | 6.9          | 11.2         | 14.3         | 10.6         | 1.7          |
| Portugal               | 3.2          | 3.4          | 2.7          | 1.6          | 1.4          | 4.7          | 8.6          | 0.0          |
| Switzerland            | 11.1         | 10.1         | 10.3         | 6.8          | 5.6          | 7.4          | 8.9          | 5.0          |
| Turkey                 | 5.2          | 9.9          | 1.9          | 21.5         | 24.9         | 6.4          | 16.5         | 6.6          |
| Other                  | 0.3          | 0.2          | 0.6          | 0.6          | 0.6          | 1.0          | 4.4          | 0.0          |
| <b>Europe Totals—</b>  | <b>78.9</b>  | <b>97.0</b>  | <b>58.3</b>  | <b>57.6</b>  | <b>69.0</b>  | <b>58.8</b>  | <b>72.1</b>  | <b>27.6</b>  |
| Bangladesh             | 25.2         | 33.4         | 20.9         | 16.2         | 2.2          | 11.8         | 13.7         | 3.0          |
| China                  | 9.6          | 63.5         | 81.9         | 128.1        | 246.3        | 163.6        | 176.4        | 19.2         |
| India                  | 20.9         | 67.1         | 43.2         | 76.0         | 75.0         | 91.6         | 146.7        | 17.1         |
| Indonesia              | 40.7         | 68.2         | 60.4         | 47.6         | 41.3         | 59.4         | 68.0         | 29.2         |
| Japan                  | 72.0         | 82.6         | 62.5         | 73.2         | 44.0         | 49.8         | 53.3         | 10.3         |
| Korea Republic         | 25.8         | 7.2          | 9.3          | 24.7         | 10.8         | 21.8         | 22.5         | 5.3          |
| Pakistan               | 56.3         | 101.8        | 93.4         | 182.6        | 55.9         | 113.6        | 159.0        | 1.1          |
| Taiwan                 | 17.1         | 46.3         | 20.2         | 59.9         | 7.6          | 31.3         | 29.8         | 1.1          |
| Thailand               | 21.7         | 25.3         | 17.0         | 21.1         | 15.3         | 22.1         | 24.1         | 5.8          |
| Other                  | 4.8          | 9.4          | 6.9          | 21.1         | 4.2          | 6.7          | 18.4         | 13.0         |
| <b>Asia Totals —</b>   | <b>294.1</b> | <b>504.8</b> | <b>415.7</b> | <b>650.5</b> | <b>502.6</b> | <b>571.7</b> | <b>711.9</b> | <b>105.1</b> |
| Brazil                 | 1.9          | 1.6          | 3.1          | 2.3          | 3.0          | 5.5          | 5.3          | 0.4          |
| Canada                 | 0.0          | 0.0          | 12.1         | 4.4          | 0.0          | 0.0          | 0.0          | 0.0          |
| Chile                  | 0.0          | 0.0          | 0.1          | 0.3          | 0.1          | 0.0          | 0.0          | 0.0          |
| Ecuador                | 0.0          | 0.0          | 0.0          | 0.0          | 0.4          | 0.0          | 0.0          | 0.0          |
| Guatemala              | 0.0          | 0.0          | 0.1          | 1.9          | 0.5          | 0.0          | 0.1          | 0.8          |
| Mexico                 | 0.0          | 1.2          | 2.9          | 0.9          | 2.4          | 0.5          | 0.3          | 1.9          |
| Peru                   | 6.8          | 31.2         | 28.8         | 50.2         | 1.9          | 13.6         | 28.2         | 1.2          |
| Salvador               | 0.0          | 0.0          | 0.0          | 0.0          | 0.3          | 0.0          | 0.0          | 0.0          |
| Venezuela              | 0.0          | 0.0          | 0.0          | 0.0          | 1.5          | 0.0          | 0.0          | 0.0          |
| <b>W. Hemi Totals—</b> | <b>8.7</b>   | <b>34.0</b>  | <b>47.1</b>  | <b>60.0</b>  | <b>10.2</b>  | <b>19.6</b>  | <b>33.9</b>  | <b>4.5</b>   |
| Rest of World          | 0.7          | 0.1          | 0.0          | 0.0          | 0.0          | 2.4          | 14.6         | 2.4          |
| <b>World Totals</b>    | <b>382.4</b> | <b>635.9</b> | <b>521.1</b> | <b>767.9</b> | <b>581.8</b> | <b>652.4</b> | <b>832.5</b> | <b>139.4</b> |

Source—USDA/FAS U.S. Export Sales—April 16, 2009 - Sales listed in thousand 480-lb. bales - \* Listed in running bales through April 10, 2009



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