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# NEWS

May 15, 2009

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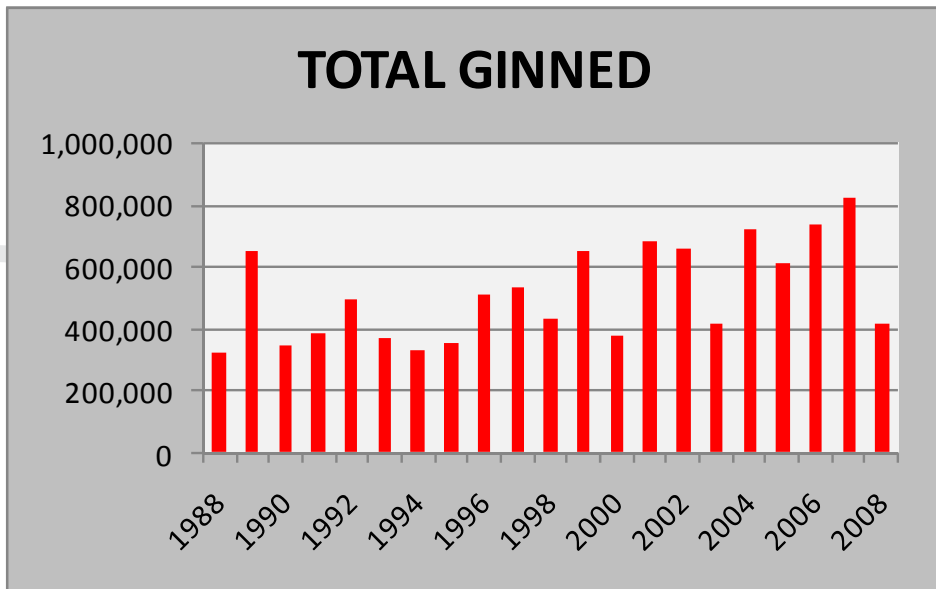
## American Pima Production And Ginnings Fall

The United States Department of Agriculture (USDA) annual ginning report places the total quantity of ginned American Pima bales for the 2008/2009 crop year at 413,200 running bales.

This places the yearly ginned total at just below the 416,850 bales of the 2003/04 crop year and below the 20 year average figure of over 510,000 bales. It is also almost half of the previous year's ginned total of 832,250 running bales.

The USDA National Agricultural Statistics Service (NASS) reports that the production of American Pima, in 480 lb (218 kg) statistical bales, tallied only 430,800 bales for the 2008/09 crop year.

Current industry estimates for the ginned bale number for the new crop year (2009/10) could be in the low 300,000 running bale range based on current planting estimates.



## 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!**

**Supima Industry Newsletter**  
Issue: # 1  
May 2008

Dear Marc,

This month's newsletter features a quick update on the status of the current farm bill legislation along with some updated supply and demand information. We would also like to invite you to share this newsletter by clicking on the "Forward email" link at the bottom of the newsletter.

**Farm Bill Passes Senate Vote 81-15**  
The 2007 Farm Bill is headed to the President

With a vote of 81 - 15, the U.S. Senate passed the 2007 Farm Bill on May 15, a day after the House passed the bill with a vote of 318 - 106. The 81 votes in favor of the bill exceeded the 67 that were required to "vest-proof" the bill.

The new Farm Bill will be valid through July 31, 2013 and the ELS component of the bill remains unchanged from the previous Farm Bill. Further details including the entire ELS language in section 1208 and a link to the entire Farm Bill document can be found by clicking on this [link](#).

**In This Issue**

- Farm Bill Passes
- Record Exports
- American Pima Supply
- Increasing Prices
- Global Stocks Shrink
- Final Ginning Report
- Final USDA Ginning Report
- The USDA released the final ginning

# California Seed Code List Released For The 2009/10 Crop Year

The California Department of Food and Agriculture (CDFA) released the 2009/10 Seed Code List reference sheet on April 20.

The report clearly details all of the approved and non-approved varieties for California. The approved San Joaquin Valley (SJV) Acala and the SJV Pima varieties are detailed in the table below. Although there are 14 approved American Pima varieties, if plantings hold true to form of the last several years, 3—5 of them will account for the lion's share of this year's plantings. The non-approved varieties for Upland, Acala and California Pima are detailed in the table to the right.

**2009 SEED CODE LIST**

**Approved Varieties**

These Varieties Have Been Approved by the San Joaquin Valley Cotton Board

**SJV Acala Varieties**

Acala Daytona RF	2051	* C704	Acala Ultima RF	2054	* C305
Acala Fiesta RR	2048	* C203	Approved Acala Mix	2029	
Acala Maxxa	2006	* C4164	DP 6100 RR	2039	* DP 6100 RR
Acala Nem-X	2014	* C225	DP 6207 Acala	2028	* OA 207
Acala NemX HY	2042	* C101	DP 6222 RR Acala	2049	* DPX 03L0401
Acala Revolution LL	2052	* C504	DP 6355 RR Acala	2053	* DPX 03T590
Acala Riata RR	2034	* C176	OA-265BR	2045	* OA-265
Acala Sierra RR	2041	* C104	PHY 710 R Acala	2050	* P02X-7001
Acala Summit	2038	* C192	PHY 72 Acala	2036	* Phy 72
Acala Ultima	2022	* C144	PHY 725 RF Acala	2055	* PHY 725 RF Acala
Acala Ultima	2043	* C201	PHY 78	2040	* PHY 78

**SJV Pima Varieties**

Approved Pima Mix	1013		DP 357 Pima	1022	* OA-357
Cobalt Pima	1020	* E303	E-106	1023	* E-106
DP 340	1016	* OA-340	Krypton Pima	1021	* E503
DP 353 Pima	1017	* OA-353	PHY 76	1015	* PHY 76
DP 744 Pima	1011	* UA-4	PHY 800	1019	* PH00P-601
DP 9911	1004	* DPX-911	PHY 830 Pima	1024	* PHY 830 Pima
DP HTO Pima	1009	* OA-333	Pima S-7	1002	* S-7

\* Experimental Designation in the San Joaquin Valley Cotton Board's Cotton Variety Trials

**2009 SEED CODE LIST**

**Non-Approved Varieties**

SJV Experimental Acala Varieties							
Variety	Seed Code	Variety	Seed Code	Variety	Seed Code	Variety	Seed Code
PHY 755 WRF	5164	SJV Exp. Acala Mix	5045				

SJV Experimental Pima Varieties							
Variety	Seed Code	Variety	Seed Code	Variety	Seed Code	Variety	Seed Code
OA-360	6063	P07X.8212 RF	6067	P07X.8213 RF	6068	P07X.8244 RF	6070
SJV Exp. Pima Mix	6016						

California Upland Varieties							
Variety	Seed Code	Variety	Seed Code	Variety	Seed Code	Variety	Seed Code
BXN 47	3065	DP 445 BG/RR	3177	FM 963	3031	Speed	3162
CA Upland Miix	3081	DP 449 BG/RR	3139	FM 966	3089	ST 132	3113
CA Upland Nursery-Bayer CropScience	3500	DP 454 BG/RR	3182	FM 966LL	3181	ST 4288B2F	3514
CU Upland Nursery-DPL/Monsanto	3501	DP 455 BG/RR	3179	FM 981LL	3195	ST 4498B2F	3515
CA Upland Nursery-HA	3502	DP 494 RR	3165	FM 989	3032	ST 4498B2RF	3224
CA Upland Nursery-Monsanto	3503	DP 515 BG/RR	3199	FM 989BGIIR	3155	ST 453	3115
CA Upland Nursery-O&A	3504	DP 5415 RR	3025	FM 989BGR	3142	ST 4554B2RF	3187
CA Upland Nursery-PHY	3505	DP 555 BG/RR	3138	FM 989RR	3131	ST 457	3164
Canon	3161	FM 1740B2F	3510	FM 991BGIIR	3156	ST 4646B2R	3145
DP 0912B2RF	3517	FM 832BGR	3140	FM 991RR	3132	ST 4664RF	3200
DP 0949B2RF	3516	FM 832LL	3178	Hammer	3135	ST 468	3122
DP 09R555B2R2	3520	FM 832RR	3141	Hammer RF	3191	ST 474	3066
DP 09R615B2R2	3518	FM 840B2F	3221	Leon	3150	ST 4892BR	3111
DP 09R621B2R2	3519	FM 9058F	3196	M515	3148	ST 5458B2RF	3223
DP 104 B2RF	3226	FM9060F	3197	M611/Solana	3147	ST 5599BR	3160
DP 117 B2RF	3193	FM 9063B2F	3206	M658/Del Mar	3149	ST 580	3117
DP 143 B2RF	3185	FM 9068F	3198	MCS 0425B2RF	3188	ST 6611B2RF	3202
DP 147 RF	3203	FM 9150F	3222	MCS 0426B2RF	3189	ST 6622RF	3201
DP 161 B2RF	3228	FM 9160B2F	3513	NuCOTN33B	3045	ST 6636BR	3172
DP 164 B2RF	3186	FM 9180B2F	3225	OHY 315RF	3506	STX 4575BR	3175
DP 167 RF	3192	FM 955LLB2	3218	PHY 370 WR	3205	STX 4686R	3174
DP 174 RF	3227	FM 958	3088	PHY 375WRF	3507	STX 5454B2R	3171
DP 388	3017	FM 958LL	3180	PHY645 WRF	3204	STX 6848R	3173
DP 393	3190	FM960B2	3194	SG 105	3143	Velos	3151
DP432 RR	3169	FM 960BGIIR	3153	SG 501	3056	ZOI	3067
DP434 RR	3170	FM 960BR	3152	SG 501BR	3084		
DP444 BG/RR	3146	FM 960RR	3154	SG 521R	3001		

California Pima Varieties							
Variety	Seed Code	Variety	Seed Code	Variety	Seed Code	Variety	Seed Code
CA Pima Mix	4002	CA Pima Nursery-Monsanto	4503	HA-195	4019	PHY 88	4016
CA Pima Nursery-Bayer CropScience	4500	CA Pima Nursery-O&A	4504	HA-211	4025	Platinum Pima	4020
CA Pima Nursery-DPL/Monsanto	4501	CA Pima Nursery-PHY	4505	PHY 810 R	4021	W2243	4014
CA Pima Nursery-HA	4502	HA-175	4006	PHY 820	4023		

**AMERICAN PIMA SUPPLY/USE ESTIMATE**

	2005/06	2006/07	2007/08	2008/09	2009/10 *
Beginning Stocks	13	78	141	139	332
Production	630	765	852	431	374
Imports	19	9	6	2	2
<b>Total Supply</b>	<b>662</b>	<b>852</b>	<b>999</b>	<b>572</b>	<b>708</b>
Domestic Use	51	39	36	30	30
Exports	520	672	833	200	500
<b>Total Use</b>	<b>571</b>	<b>711</b>	<b>869</b>	<b>230</b>	<b>530</b>
Unaccounted Stocks	-13	0	9	-10	0
<b>Ending Stocks</b>	<b>78</b>	<b>141</b>	<b>139</b>	<b>332</b>	<b>178</b>
Stocks to Use Ratio	13.7%	19.8%	16.0%	144.4%	33.6%

Released May 12, 2009 by the USDA World Agricultural Outlook Board (WAOB).  
Listed in thousand 480-lb. bales

## American Pima Supply And Demand Inversion

**The 2007/08 and the 2008/09 crop years could almost not be more opposite when it comes to thinking about production and consumption.**

In the 2007/08 crop, the United States produced a record crop of 851,800 bales which was also combined with a record level of exports of 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.

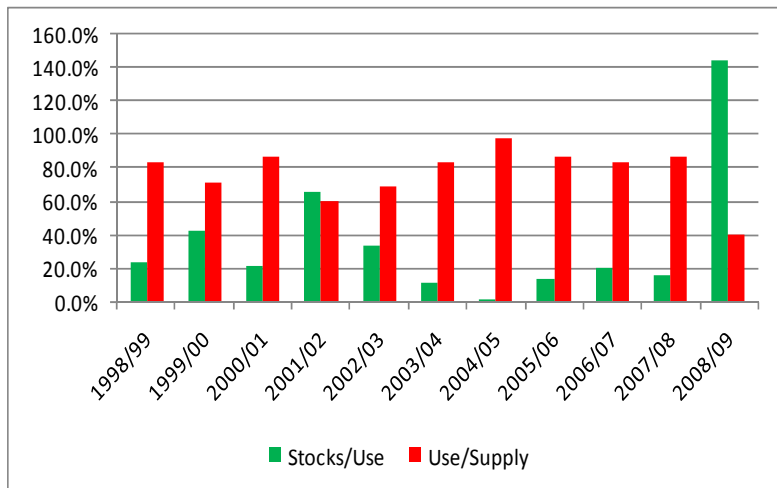
The 2008/09 crop year by comparison has a production that is estimated to be about half of the previous year at 430,800 bales. Exports are hoped to reach a level of 200,000 bales which will be less than a quarter of the previous year's exports.

The chart below highlights how consumption over the previous 5 years

(2003—2008) had averaged over 80%, implying that consumption had been maintained at very consistent levels over that period. However, all that has been reversed in one year with the 2008/09 crop year. In the chart to the left, the tremendous change in the green bar for the 2008/09 crop is

easily noticeable and represents a stocks/use ratio estimate of about 144%. That exceeds the average of the last 5 years of about 12.5%. The use/supply ratio has also fallen from a recent average of over 80% to about 40% which is also the lowest recorded level dating back to the 1986 /87 crop year. The use/supply level has averaged almost 80%, as well over the previous 23 year period starting with the 1986/87 crop year.

The end result of the tremendous swing of the 2008/09 crop year will be an increase in ending stocks. Stocks are currently forecast to be about 332,000 bales, but that could easily increase to be closer to 400,000 bales by the time the end of the 2008/09 crop rolls around on July 31, as a result of continued slow sales. The current estimate of 332,000 bales is also the largest carry-over stocks figure on record with the previous being set in the 2001/02 crop year at 328,000 bales. With current estimates for the 2009/10 crop production of about 374,000 bales, this would leave a little over 700,000 bales available to be sold next year.



## 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	110.25	109.75	98.00	72.00	60.50	51.25
46	110.00	109.00	96.00	72.00	60.50	51.25
44	105.00	104.00	91.00	66.50	59.25	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, May 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	13.4
Italy	28.7	34.0	16.6	6.9	11.2	14.3	10.6	2.2
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	5.1
Turkey	5.2	9.9	1.9	21.5	24.9	6.4	16.5	7.9
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>28.8</b>
Bangladesh	25.2	33.4	20.9	16.2	2.2	11.8	13.7	4.3
China	9.6	63.5	81.9	128.1	246.3	163.6	176.4	20.5
India	20.9	67.1	43.2	76.0	75.0	91.6	146.7	20.3
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	10.6
Korea Republic	25.8	7.2	9.3	24.7	10.8	21.8	22.5	5.9
Pakistan	56.3	101.8	93.4	182.6	55.9	113.6	159.0	3.6
Taiwan	17.1	46.3	20.2	59.9	7.6	31.3	29.8	2.2
Thailand	21.7	25.3	17.0	21.1	15.3	22.1	24.1	6.4
Other	4.8	9.4	6.9	21.1	4.2	6.7	18.4	15.1
<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>118.1</b>
Brazil	1.9	1.6	3.1	2.3	3.0	5.5	5.3	1.6
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	0.7
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	1.4
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>5.8</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>154.7</b>

Source—USDA/FAS U.S. Export Sales—May 14, 2009

- Sales listed in thousand 480-lb. bales

- \* Listed in running bales through May 7, 2009



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