Supima® WORLD'S FINEST COTTONS

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NEWS

April 2010

For the latest Supima crop and market information, visit our web site at:

www.supima.com

INSIDE

Supima and Texworld USA Unite Shows In July

Texworld USA is recognized as the largest sourcing event in North America for apparel fabric buyers, R&D and product development specialists, designers, merchandisers and overseas sourcing professionals. For the ninth edition of the show, scheduled for July 13 – 15 at the Javits Convention Center in New York, Supima will be folding the Premium Fabric Show (PREFAB) into Texworld USA to create an even bigger, higher quality and combined sourcing event for North America.

Jesse Curlee, President of Supima noted "Supima is excited and looking forward to moving our Premium Fabric Show (PREFAB) to Texworld USA for the July 2010 show. We feel that Texworld USA's reputation and the added exposure to buyers will benefit Supima, and more importantly our licensees. Supima will be able to retain its high value yarn and fabrics in a designated section of Texworld USA and Supima's licensees will be invited to join the Supima section of the show. The move to Texworld USA will also benefit our customers; most of all whom attend the event during the week of shows. It is a busy week for buyers and this will eliminate an additional trip to another part of the city."

David Audrain, President of Messe Frankfurt USA, stated "having Supima's support for Texworld USA is terrific! The Supima product is excellent and adding more of their licensees to our leading group of exhibiting mills, enhances the value of buyers even more. Our goal with Texworld USA has always been to provide the leading exhibition of apparel fabric producers for the American market. We expect this to be our best show yet!"

www.texworldusa.com
www.messefrankfurt.com
www.usa.messefrankfurt.com

Supima's Email Newsletters

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

The images of the newsletter to the right shows the two 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 the recent 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!


Issue: # 1 May 2008

Supima Industry Newsletter

Dear Marc,

This months 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 "veto-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

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Final Ginning Report

USDA

Final USDA Ginning Report

The USDA released the final ginning

American Pima Loan Rate Schedule Announced

The 2010/11 American Pima Loan Schedule was released on April 19 and the full official details of the U.S. cotton loan schedule can be seen on the price support page of the United States Department of Agriculture (USDA) - Farm Service Agency (FSA) at: http://bit.ly/bWfTFY

The new extra-long staple loan rate schedule reflects an overall increase in the adjusted national loan average from 80.72 cents per pound last year, to 80.74 cents per pound this year. This year's average loan price is arrived at by taking the national American Pima base loan rate of 79.77 usc/lb and then adding the strength premium of 0.65 usc/lb (down 0.01 usc/lb from last year), and a micronaire premium of 0.32 usc/lb (up 0.03 usc/lb from last year). These premiums are calculated by the USDA based on the average crop values attained during the 2009/10 crop year.

2010-CROP EXTRA LONG STAPLE "ELS" (AMERICAN PIMA) COTTON

Schedule of Loan Rates for Eligible Qualities

2010-Crop ELS Cotton Stored in Approved Warehouses in all Locations.

2010 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 (44)	1-7/16 (46)	1-1/2 (48 & Longer)
		2009 Loan	2009 Loan	2009 Loan
Grade				
1		77.80	81.45	81.65
2		77.45	81.15	81.40
3		77.15	80.80	81.30
4		57.45	61.15	61.85
5		47.15	52.50	52.50
6		41.05	41.25	41.25
Below 6		37.00	37.00	37.00
	Leaf	Leaf Dis. (ct/lb)	Colors	
	1	0.00	All	
	2	0.00	All	
	3	-2.85	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 32 points (0.32 cents) per pound is reflected in the loan rates for the eligible qualities. Also, a strength premium of 65 points (0.65 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 80.74 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.

2010 ELS (AMERICAN PIMA) COTTON PREMIUMS AND DISCOUNTS

2010 ELS Cotton Extraneous Matter

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

Micronaire Differences for Eligible Qualities 2010 ELS Cotton

Micronaire Reading	Points/lb.
3.5 & Above	0
3.3 - 3.4	-395
3.0 - 3.2	-550
2.7 - 2.9	-945
2.6 & Below	-1350

2010-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

AMERICAN PIMA SUPPLY/USE ESTIMATE

	2005/06	2006/07	2007/08	2008/09	2009/10 *
Beginning Stocks	13	78	188	156	305
Production	630	765	852	431	390
Imports	19	9	6	0	2
Total Supply	**662**	**852**	**1,046**	**587**	**697**
Domestic Use	51	39	36	29	30
Exports	520	672	833	232	625
Total Use	**571**	**711**	**869**	**261**	**655**
Unaccounted Stocks	-13	47	-21	-21	0
Ending Stocks	**78**	**188**	**156**	**305**	**42**
Stocks to Use Ratio	13.7%	26.4%	18.0%	116.9%	6.4%

Released March 10, 2010 by the USDA World Agricultural Outlook Board (WAOB).
Listed in thousand 480-lb. bales

Western Cotton Shippers Association And Industry Update

The Western Cotton Shippers Association (WCSA) held their 87th annual convention at The Lodge at Sonoma Resort on March 22—24.

Unlike much of the news in the cotton and textile industry over the last year and a half, this year's convention was upbeat and positive spreading a positive spirit among all the attendees.

The outgoing WCSA President Ernie Schroeder, Jr. along with Vanice Boone and Laura Skillern orchestrated a well planned and executed meeting.

Ernie Schroeder, Jr.

Michael Kobori

Matt Laughlin

Guest speaker Michael Kobori, Vice President Social and Environmental Sustainability of Levi Strauss & Co., spoke to the group in an open discussion about Levi's environmental vision, which seeks to establish a more sustainable supply chain, from farm to post-consumer.

Other quest speakers included California Congressman Kevin Mccarthy, California Congressman Devin Nunes and Ron "Rocket" Lawson, Managing Director LOFIC Advisors, President & CEO of Steadfast Futures and Options.

The new incoming President of the WCSA is Matt Laughlin. In his upcoming tenure he will be challenged with a rapidly changing industry and one that has gone through significant consolidations already.

Following a large crop in 2008/09 that went largely unsold as a result of the economic slow down in the fall of 2008, the 2009/10 crop along with the carry-over is now virtually sold out with export sales registering 653,300 bales as of April 15.

New crop plantings have been slow across the American Pima planting regions because of unseasonably cool and wet weather. Another weather system is forecast to move across the region again, with expectations that this weather will begin to impact plantings.

Important Web Links—American Pima Crop Information

USDA—AMS Pima Spot Price (Daily):
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=ecpa&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
By State: 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	125.75	125.25	112.25	91.50	82.00	72.75
46	125.50	125.00	112.00	91.50	82.00	72.75
44	120.50	120.00	107.00	86.50	80.75	72.50

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, 2010 (2009/10 crop)
Net weights in mixed lots, uncompressed, UD Free, FOB warehouse

AMERICAN PIMA EXPORTS

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10 *
Belgium	7.8	8.2	14.5	7.1	4.6	6.3	0.2	2.0
Germany	31.6	18.0	5.7	18.3	20.4	16.8	14.5	12.8
Italy	34.0	16.6	6.9	11.2	14.3	10.6	2.1	3.9
Portugal	3.4	2.7	1.6	1.4	4.7	8.6	0.1	0.0
Switzerland	10.1	10.3	6.8	5.6	7.4	8.9	2.2	0.0
Turkey	9.9	1.9	21.5	24.9	6.4	16.5	8.2	4.7
Other	0.2	0.6	0.6	0.6	1.0	4.4	1.0	0.0
Europe Totals—	**97.0**	**58.3**	**57.6**	**69.1**	**58.8**	**72.1**	**27.3**	**23.4**
Bangladesh	33.4	20.9	16.2	2.2	11.8	13.7	9.0	9.0
China	63.5	81.9	128.1	246.3	163.6	176.4	57.5	314.7
India	67.1	43.2	76.0	75.0	91.6	146.7	27.2	122.9
Indonesia	68.2	60.4	47.6	41.3	59.4	68.0	20.3	20.5
Japan	82.6	62.5	73.2	44.0	49.8	53.3	14.8	19.7
Korea Republic	7.2	9.3	24.7	10.8	21.8	22.5	4.7	12.6
Pakistan	101.8	93.4	182.6	55.9	113.6	159.0	26.8	64.4
Taiwan	46.3	20.2	59.9	7.6	31.3	29.8	2.9	10.9
Thailand	25.3	17.0	21.1	15.3	22.1	24.1	8.8	17.1
Other	9.4	6.9	21.1	4.2	6.7	18.4	17.1	1.6
Asia Totals —	**504.8**	**415.7**	**650.5**	**502.6**	**571.7**	**711.9**	**189.1**	**593.4**
Brazil	1.6	3.1	2.3	3.0	5.5	5.3	2.0	0.9
Canada	0.0	12.1	4.4	0.0	0.0	0.0	0.0	0.0
Chile	0.0	0.1	0.3	0.1	0.0	0.0	0.0	0.0
Ecuador	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0
Guatemala	0.0	0.1	1.9	0.5	0.0	0.1	0.8	0.0
Mexico	1.2	2.9	0.9	2.4	0.5	0.3	1.2	3.3
Peru	31.2	28.8	50.2	1.9	13.6	28.2	2.4	13.9
Salvador	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Venezuela	0.0	0.0	0.0	1.5	0.0	0.0	0.0	0.0
W. Hemi Totals—	**34.0**	**47.1**	**60.0**	**10.1**	**19.6**	**33.9**	**6.6**	**18.3**
Rest of World	0.1	0.0	0.0	0.0	2.4	14.6	3.8	18.4
World Totals	**635.9**	**521.1**	**768.1**	**581.8**	**652.5**	**832.5**	**226.8**	**653.3**

*Source—USDA/FAS U.S. Export Sales—April 15, 2010 - Sales listed in thousand 480-lb. bales - * Listed in running bales through April 8, 2010*

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Return Service Requested