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NEWS

June 2010

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

www.supima.com

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New Arrival Of Supima Pique Polo Shirts

Over the years, Supima has been having products made specifically to be used as promotional items and to highlight the quality of Supima cotton. From towels to T-shirts and polo shirts, the response from the public has always been great, and was almost always followed up with the question, "Where can I get some more of these?" In the past, the response was never well received because the product was not generally available.

Beginning this month, Supima will offer these shirts for sale. The beautiful, lightweight and cool pique polo shirts are available in three colors (red, green and blue, pictured to the right).

For more information and additional details, please visit the Supima website at www.supima.com.



Supima's Email Newsletter

Supima's email newsletter continues to evolve to maximize bringing you the best information in the best and timeliest format.

The image of the newsletter to the right shows the current style. Entitled "Supima Industry Newsletter", the newsletter provides production, demand and supply information along with other pertinent news covering such things as recent or upcoming promotional events and activities.

Make sure to sign-up for our email newsletter 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

Dear Marc,

This month's newsletter features an article by California Country Magazine that talks about the value of focusing on quality cotton to produce premium products. Additionally, there is an update on American Pima exports and the ELS Competitiveness Payment Program which made its last payment on eligible shipments from March 25. We would also like to invite you to share this by clicking on the "Forward email" link at the bottom of the newsletter.



Cotton Couture
California Country Magazine talks fiber to fashion

California Country Magazine just published their May/June issue, and on the cover is a feature story entitled "Cotton Couture".

Featured in the story are Don Cameron of Terranova Farms in California and Jeff Stahler, owner and designer of the California founded brand Agave.

The full article is available by clicking on this [link](#).



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USDA Classing Update

A total of 310,131 bales of cotton have already been classed with 27,189 bales during the last week. For the most recent report, click on the USDA logo above.



American Pima Price Recovery And Future Stability

In the fall of 2008, prior to the global economic downturn, pricing for ELS cottons globally had risen to levels just shy of the 150 usc/lb.

At the beginning of 2009, prices began to decline due to weak demand and pull through in the sourcing channels from the retailers and

brands. This resulted in prices tumbling back to levels of just around 100 usc/lb. towards the middle of 2009. During that crop year only 226,800 bales of American Pima were exported.

With the return of demand, ELS prices have seen a price recovery to very similar price levels from those

seen at the end of 2008. Therefore, exports have surged back to about 680,000 bales drawing down inventories of U.S. supplies to almost zero.

With no carry over supply and an anticipated smaller crop production for the 2010/11 crop year, it is believed that prices will continue to remain firm through harvest.

American Pima CNF Far East Quote



AMERICAN PIMA SUPPLY/USE ESTIMATE

	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>
Beginning Stocks	13	78	188	156	305	12
Production	630	765	852	431	400	500
Imports	19	9	6	0	2	0
Total Supply	662	852	1,046	587	707	512
Domestic Use	51	39	36	29	25	25
Exports	520	672	833	232	685	450
Total Use	571	711	869	261	710	475
Unaccounted Stocks	-13	47	-21	-21	15	0
Ending Stocks	78	188	156	305	12	37
Stocks to Use Ratio	13.7%	26.4%	18.0%	116.9%	1.7%	7.8%

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

American Pima Supply And Demand Update

The United States Department of Agriculture (USDA) - World Agricultural Outlook Board (WAOB) released the most recent U.S. supply and use report on June 10. The new report also included the first estimates for the 2010/11 crop year. (Table at bottom of Page 2.)

During the 2008/09 crop year, sales of ELS cottons in general slowed down to a trickle. The report shows that with 156,000 bales of carry-over stocks and 431,000 bales of production, the U.S. was only able to export 232,000 bales. That left U.S. supply with a unique position in having a sizable position of 305,000 bales in ending stocks and an abnormal stocks/use ratio of 116.9%.

The return of demand during the 2009/10 crop year, which ends July 31, 2010, quickly rectified this. The stocks/use ratio is now forecast to be a measly 1.7%. Additionally, this month the USDA-WAOB added

15,000 bales into the unaccounted column to offset strong export numbers which they raised to 685,000 bales. In conjunction with the 25,000 bales of domestic consumption, total consumption estimates tally up to be 710,000 bales, exceeding the total supply figure by 3,000 bales.

With the addition of the unaccounted stocks, the ending stocks are estimated to be 12,000 bales. For the 2010/11 crop year, the new report forecasts that total supply for American Pima will be 512,000 bales with an estimated production of 500,000 bales.

The United States Department of Agriculture (USDA) - National Agricultural Statistics Service (NASS) announced in their June report that American Pima plantings were estimated to be 190,000 acres. Assuming that the 190,000 acres equates to the 500,000 bale production figure used by the USDA-WAOB, this would indi-

cate that the anticipated yield would be approximately 1,263 lbs/acre on average, based on 480 lb. statistical bales. If that is the case, then this average would have only been exceeded twice in the last five years. The average yield estimate for 2009/10 is 1,389 lbs/acre; 2008/09 is 1,226 lbs/acre; 2007/08 is 1,419 lbs/acre; 2006/07 is 1,136 lbs/acre; and 2005/06 is 1,127 lbs/acre. Based on the weather encountered during the early part of the planting season, a yield estimate in the 1,250 - 1,300 lbs/acre range may be somewhat optimistic.

Whether or not the yield is attained or not, is not the critical point however. What will be, is any deviation from the current estimates. Total supply for the 2010/11 crop year will be smaller than that from the 2009/10 year and small increases will provide a little more cushion in supply, while any decreases will tighten the supply situation and expedite demand.

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/epasReports?area=home&subject=ecpa&topic=fta-el>

USDA - NASS Cotton Reports:

http://www.nass.usda.gov/QuickStats/indexbysubject.jsp?Pass_name=&Pass_group=Crops+%26+Plants&Pass_subgroup=Field+Crops

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>

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, June 16, 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	2.5
Germany	31.6	18.0	5.7	18.3	20.4	16.8	14.5	12.7
Italy	34.0	16.6	6.9	11.2	14.3	10.6	2.1	4.3
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	4.8
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	24.3
Bangladesh	33.4	20.9	16.2	2.2	11.8	13.7	9.0	9.6
China	63.5	81.9	128.1	246.3	163.6	176.4	57.5	319.0
India	67.1	43.2	76.0	75.0	91.6	146.7	27.2	124.5
Indonesia	68.2	60.4	47.6	41.3	59.4	68.0	20.3	22.3
Japan	82.6	62.5	73.2	44.0	49.8	53.3	14.8	24.2
Korea Republic	7.2	9.3	24.7	10.8	21.8	22.5	4.7	12.7
Pakistan	101.8	93.4	182.6	55.9	113.6	159.0	26.8	69.7
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	17.9
Other	9.4	6.9	21.1	4.2	6.7	18.4	17.1	1.8
ASIA TOTALS	504.8	415.7	650.5	502.6	571.7	711.9	189.1	612.6
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	28.5	50.2	1.9	13.6	28.2	2.4	14.8
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
WESTERN HEMISPHERE TOTALS	34.0	47.1	60.0	10.1	19.6	33.9	6.6	19.4
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	674.8

Source - USDA/FAS U.S. Export Sales - June 10, 2010 - Sales listed in thousand 480-lb. bales - *Listed in running bales through June 4, 2010



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