

4141 E. Broadway Rd. • Phoenix, Arizona 85040-8831 • Tel: (602) 437-1364 • Fax: (602) 437-0143 • www.supima.com • info@supima.com

newsletter@supima.com for subscriptions, comments or requests.

NEWS

JANUARY 2012

INSIDE

American Pima Update Article Page 2

American S/D Table Page 2

Pima Classing Update Article Page 3

Important Web Links Table Page 3

American Pima Quote Table Page 3

American Pima Export Table Page 4

Use the QR Code below with your smart phone and favorite code reader to access the Supima newsletter online.
www.supima.com



Western Region High Cotton Award Recipient

Don Cameron, Supima's Chairman was recently honored as one of four recipients of the High Cotton Award for the Western States.

This prestigious award is presented annually by *Farm Press Publications* through a grant from the Cotton Foundation. The High Cotton Award recognizes cotton producers who have shown exceptional leadership in the industry by using the latest and technology and also show a concern for the environment.

Don Cameron was introduced by Harry Cline, long-time editor of the *Western Farm Press*. Harry commented on the fact that Don currently produces 26 different crops on 7,000 acres he farms at Terranova Management Co. and Prado Farms. Besides growing both American Pima and San Joaquin Acala cotton, Don grows among other crops, grapes for the wine industry, carrots, tomatoes, pistachios, almonds, walnuts, wheat, alfalfa, lettuce, various seed crops and multiple organic products. In his acceptance of the award, Don commented on the superior quality of western cotton including the traditional San Joaquin Acala cottons and the relatively new to the San Joaquin Valley, American Pima Cotton. He remarked that the San Joaquin Valley continues to grow the best cotton primarily due to the introduction of American Pima into the valley in the early 1990's, when growers discovered that they could grow as much

American Pima as Acala in many area and receive a higher price per pound.

The awards were presented during a breakfast on January 4 at the Beltwide Cotton Conference in Orlando, Florida. The Conference is part of the National Cotton Council and is attended by hundreds of cotton producers and researchers from across the cotton belt.

Others who received the award were: Kent Wannamaker of South Carolina; Coley Bailey, Jr. of Mississippi; and Shawn Holladay of Texas.

Greg Frey, vice president for the Penton Media Inc. Agricultural Group, which publishes *Southeast, Delta, Southwest* and *Western Farm Press* commented that "these are some of the most environmentally conscientious producers we've featured in our 18 years of presenting the bronze award to our High Cotton recipients".
Congratulations Don!



High Cotton Award recipient Don Cameron and his wife Elisa.

American Pima Supply And Demand Update

As happens so many times when things seem to be proceeding along a slow and steady path, something comes along to shake things up. That is what happened this month with the American Pima data and it will certainly make for an interesting start to the new year.

The first changes were the [Cotton Outlook](#) quotes for Egyptian cotton. These quotes have been on a steady decline since the first Egyptian new crop quotes were reported in October. Additionally, industry reports indicate that the actual trading prices for Giza 88 and Giza 86 are even lower than the current Cotlook quotes.

At this time last month American Pima price quotes in Cotlook were reported at 194 us¢/lb. Today the price level for a 2-2-46 on an FOB Far East basis has drifted down to 181 us¢/lb. More importantly prices on the U.S. spot quotes also began to see some changes in October 2011 when the price dropped from 260 us¢/lb. to 188.50 us¢/lb. Quotationss have continued to drift lower to the recent level that was reached on January 10 of 150 us¢/lb.

As U.S. prices drift lower and as spring plantings draw nearer, industry sentiment is forecasting that plantings will be smaller for the 2012/13 year than they were for the 2011/12 crop year, which had an estimated production of 737,200 bales last month.

With the United States Depart-

ment of Agriculture's (USDA) World Agricultural Outlook Board (WAOB) update of the World Agricultural Statistics Estimate (WASDE) numbers on January 12, they surprised the U.S. industry with some unexpected revisions. The harvested acreage figure for the 2011/12 American Pima crop year was raised from 287,500 acres to 303,900 acres – a 5.7% increase. *California*, *New Mexico* and *Texas* all saw acreage increases. *California's* acreage rose to 270,000 acres (+13,000 acres), *New Mexico* increased to 3,400 acres (+400 acres) and *Texas* in-



creased to 18,500 acres (4,000 acres). *Arizona* reported a drop from 11,000 acres to 10,000 acres. At the same time the U.S. average yield estimate was increased from 1,231 lbs/acre to 1,336 lbs/acre. The resulting average increase is attributable to an increase in yield in *Arizona* to 960 lbs/acre from the last estimate of 873 lbs/acre;

an increase in *California* to 1,376 lbs/acre from 1,269 lbs/acre and *Texas* with an increase from to 1,038 lbs/acre from 894 lbs/acre. *New Mexico* was the only state to see a drop in the yield estimate which fell from 832 lbs/acre to 805 lbs/acre.

The acreage and yield estimate changes impacted the estimated U.S. production for the U.S. crop and is now forecasted to be substantially larger than initially forecast. Last month the production forecast stood at 737,200 bales and with this month's revision the new production forecast stands at 845,700 bales, an increase of 108,500 bales or a 14.7% increase.

Production for *Arizona* is now forecast to be 20,000 bales; *California* 780,000 bales; *New Mexico* 5,700 bales; and *Texas* is now estimated at 40,000 bales. If this update turns out to be accurate, this will be the second largest production on record and just shy of the 851,800 bale record production from the 2007/08 crop year. The production that year materialized from the second highest yield that averaged 1,419 lbs/acre. Harvested acres only totaled 288,100 acres that year. The largest harvested acreage figure on record was the 323,500 acres from the 2006/07 crop year. But, with a smaller yield average of only 1,136 lbs/acre the crop only yielded 765,350 bales, which had previously been the second largest American Pima crop on record.

AMERICAN PIMA SUPPLY/USE ESTIMATE

	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
Beginning Stocks	78	188	156	305	18	28
Production	765	852	431	400	504	846
Imports	9	6	0	0	7	5
Total Supply	852	1,046	587	705	529	879
Domestic Use	39	36	29	21	26	25
Exports	672	833	232	694	495	650
Total Use	711	869	261	715	521	675
Unaccounted Stocks	47	-21	-21	28	20	0
Ending Stocks	188	156	305	18	28	204
Stocks to Use Ratio	26.4%	18.0%	116.9%	2.5%	5.4%	30.2%

Released January 12, 2012 by the USDA World Agricultural Outlook Board (WAOB) - Listed in thousand 480-lb. bales.

American Pima Classing Update

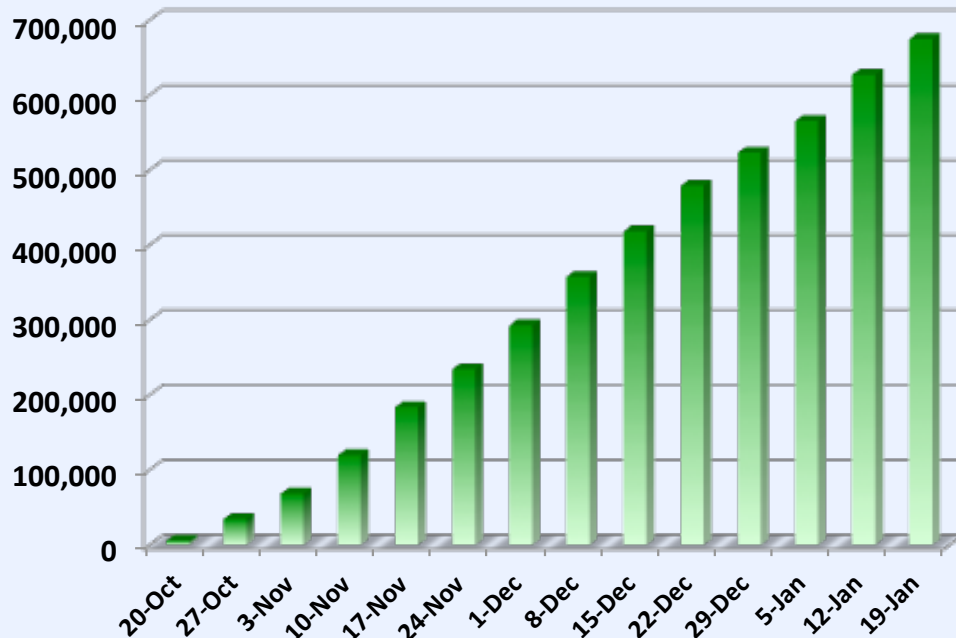
With a new record crop now expected, American Pima classing will be continuing for a little while longer as it will have to manage the additional bale volume. As of January 20th, 674,861 bales have already been classed for the year to date. The chart to the right details the accumulated weekly classing for the 2011/12 crop year to date.

The quality of the crop continues to report positive numbers for the year with the measured fiber traits showing continuing improvements.

The strength for American Pima has improved again from last year with an average of 42.4 GPT. Last year at this time, strength was being reported at 41.8 GPT.

Fiber length has also improved slightly with the current report indicating that 77.5% of the crop has a fiber length of a 48 staple and longer. Uniformity is also up from 85.5 to 85.7 and the micronaire continues to average at 3.9.

**2011/12 Classed Bales
Cummulative Weekly Totals**



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 U.S. FOB SPOT QUOTATIONS

STAPLE	COLOR AND LEAF GRADE					
	01-1	02-2	03-3	04-4	05-5	06-6
48	150.75	150.25	137.25	116.50	97.00	87.75
46	150.50	150.00	137.00	116.50	97.00	87.75
44	145.50	145.00	132.00	111.50	95.75	87.50
	Mike Range	Differences	Strength Range	Differences	Ext. Matter	Differences
	2.6 & Below	-2000	35.4 & Below	-1050	Prep 1:	-810
	2.7 - 2.9	-1500	35.5 - 36.4	-800	Prep 2:	-1095
	3.0 - 3.2	-1000	36.5 - 37.4	-550	Prep 3:	-715
	3.3 - 3.4	-550	37.5 & Above	0	Prep 4:	-1035

USDA daily report, Janaury 20, 2012 (2011/12 crop) - Net weights in mixed lots, uncompressed, UD Free, FOB Warehouse

AMERICAN PIMA EXPORTS

	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12 *</u>
Belgium	14.5	7.1	4.6	6.3	0.2	2.6	0.5	0.2
Germany	5.7	18.3	20.4	16.8	14.5	12.7	20.4	12.6
Italy	6.9	11.2	14.3	10.6	2.1	5.4	6.2	2.7
Portugal	1.6	1.4	4.7	8.6	0.1	0.0	0.0	0.0
Switzerland	6.8	5.6	7.4	8.9	2.2	0.0	0.7	3.0
Turkey	21.5	24.9	6.4	16.5	8.2	4.8	4.0	13.1
Other	0.6	0.6	1.0	4.4	0.0	0.0	0.0	0.0
EUROPE TOTALS	57.6	69.1	58.8	72.1	27.3	25.5	31.8	32.3
Bangladesh	16.2	2.2	11.8	13.7	9.0	9.6	8.7	4.9
China	128.1	246.3	163.6	176.4	57.5	320.5	188.6	155.9
India	76.0	75.0	91.6	146.7	27.2	125.3	72.3	68.6
Indonesia	47.6	41.3	59.4	68.0	20.3	22.9	38.7	22.3
Japan	73.2	44.0	49.8	53.3	14.8	24.7	43.5	18.4
Korea Republic	24.7	10.8	21.8	22.5	4.7	12.6	17.9	17.9
Pakistan	182.6	55.9	113.6	159.0	26.8	69.7	47.9	60.1
Taiwan	59.9	7.6	31.3	29.8	2.9	10.9	11.8	3.0
Thailand	21.1	15.3	22.1	24.1	8.8	18.6	15.2	8.3
Other	21.1	4.2	6.7	18.4	17.1	1.9	1.7	0.0
ASIA TOTALS	650.5	502.6	571.7	711.9	189.1	616.7	446.7	359.5
Brazil	2.3	3.0	5.5	5.3	2.0	0.9	0.7	0.1
Canada	4.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chile	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Ecuador	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Guatemala	1.9	0.5	0.0	0.1	0.8	0.0	0.2	0.2
Mexico	0.9	2.4	0.5	0.3	1.2	3.3	2.7	1.1
Peru	50.2	1.9	13.6	28.2	2.4	14.9	33.4	27.3
Salvador	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Venezuela	0.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0
WESTERN HEMISPHERE TOTALS	60.0	10.1	19.6	33.9	6.6	19.5	37.6	28.9
Rest of World	0.0	0.0	2.4	14.6	3.8	18.4	7.4	9.0
WORLD TOTALS	768.1	581.8	652.5	832.5	226.8	680.1	523.8	429.4

Source - USDA/FAS U.S. Export Sales - January 20, 2012 - Sales listed in thousand 480-lb. bales - *Listed in running bales through January 12, 2012



4141 E. Broadway Rd.
Phoenix, Arizona 85040-8831

Return Service Requested

FIRST CLASS MAIL
U.S. POSTAGE PAID
PHOENIX, AZ
PERMIT No. 896

