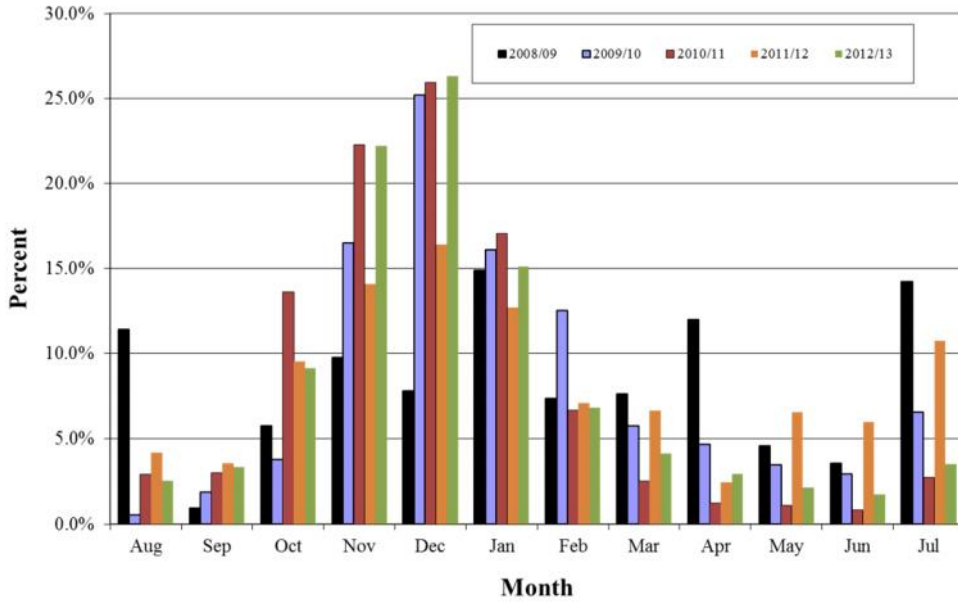


The monthly prices are weighted by marketings to determine a weighted MYA farm price. The months October through February carry the largest weights in the annual average. In fact, by the end of February, we typically have accounted for almost 75% of marketings (Exhibit 2).

Exhibit 2

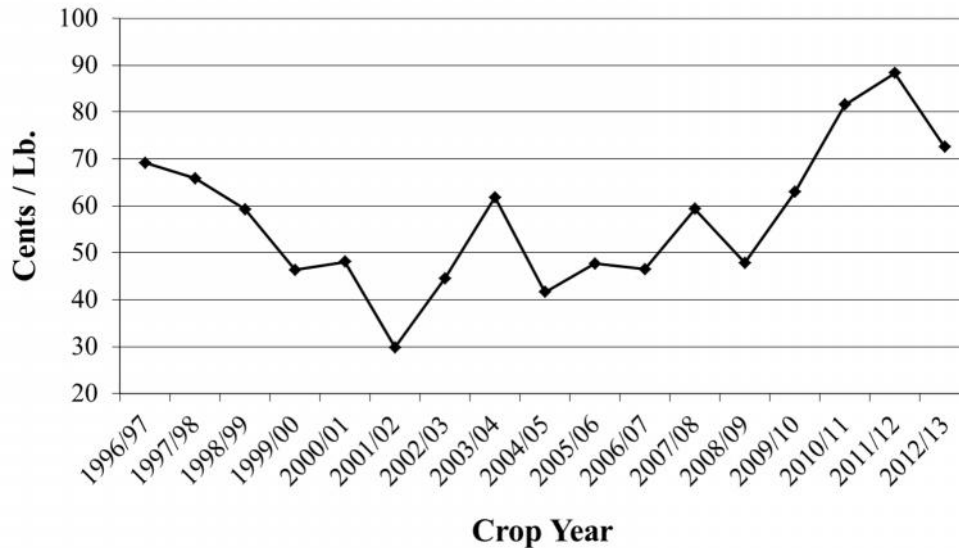
Percent Marketed By Month



In recent years, we have seen the MYA farm price move from 69.15 cents per pound for the 1996/97 marketing year to 72.50 cents for the 2012/13 marketing year (Exhibit 3).

Exhibit 3

Season-Average Farm Price



For the 2013 marketing year, data for the month of July gives a preliminary weighted-average of 77.15 cents per pound (Exhibit 4). While the final CCP will not be determined until the final MYA farm price is known, the preliminary MYA farm price based on data through July would give a CCP of 0.00 cents.

Exhibit 4

FARM PRICES FOR UPLAND COTTON					
CROP YEAR 2013-14					
(Weighted by Marketings)					
	Marketings (000's of Running Bales)		Prices (Cents/Lb.)		Implied CCP **
	Monthly	Cumulative	Monthly	Weighted	
August	46	46	76.90	76.90	0.00
September	208	254	74.60	75.02	0.00
October	464	718	77.90	76.88	0.00
November	1,833	2,551	75.30	75.74	0.00
December	3,261	5,812	76.90	76.39	0.00
January	2,346	8,158	76.90	76.54	0.00
February	650	8,808	79.00	76.72	0.00
March	372	9,180	79.40	76.83	0.00
April	206	9,386	80.50	76.91	0.00
May	151	9,537	79.40	76.95	0.00
June	153	9,690	81.50	77.02	0.00
July	250	9,940	82.10	77.15*	0.00
August	NA	NA	66.90	NA	

USDA-NASS

*Weighted price is a preliminary estimate

** Unofficial estimate based on price to date

Relationship Between NASS Farm Price and NY Nearby Futures

While there is no exact relationship between NASS's MYA farm price and NY futures, the futures market can be used as a guide for anticipating the farm price. Historically, the average farm price runs 6-20 cents below the nearby NY futures contract (Exhibit 5).

Exhibit 5

Nearby Futures-MYA Price												
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
02/03	10.14	6.59	5.11	4.81	5.73	5.54	5.38	9.59	11.87	7.36	8.38	12.94
03/04	9.83	6.74	6.98	9.69	8.10	11.93	6.24	4.81	1.40	3.23	-6.70	-6.85
04/05	-1.52	0.29	-4.10	2.72	3.97	7.46	7.37	11.66	12.96	12.98	6.44	9.92
05/06	5.98	5.81	5.90	1.77	5.13	7.09	7.59	3.77	3.32	4.36	3.51	5.29
06/07	9.46	3.32	3.48	1.17	5.73	4.95	6.14	7.31	4.14	5.21	8.54	17.91
07/08	7.31	9.00	8.51	4.36	5.91	7.70	8.52	14.99	5.82	5.08	5.87	4.56
08/09	13.45	-0.22	-8.23	-12.63	-8.02	3.04	4.44	2.56	4.92	18.30	9.11	15.68
09/10	9.10	7.12	2.56	12.99	11.26	11.09	9.46	16.28	14.70	14.89	12.93	10.55
10/11	11.06	21.82	35.03	51.43	59.85	69.62	92.49	116.29	106.16	68.99	72.43	24.17
11/12	9.85	11.71	8.85	3.73	0.31	6.37	-0.37	-0.13	-0.11	-4.77	-2.80	-5.68
12/13	2.69	2.38	3.19	1.96	3.17	5.23	4.88	10.67	6.43	6.35	6.37	4.97
13/14	10.47	9.72	4.68	1.36	5.14	8.13	7.87	12.39	10.92	10.70	4.03	-13.90
14/15	-1.90											
AVG 05-13	8.82	7.85	7.11	7.35	9.83	13.69	15.67	20.46	17.37	14.35	13.33	7.06